RUSSIAN WEEKLY NEWSMAGAZINE
№ 51 DECEMBER 1992

NEW TIMES

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INTERNATIONAL

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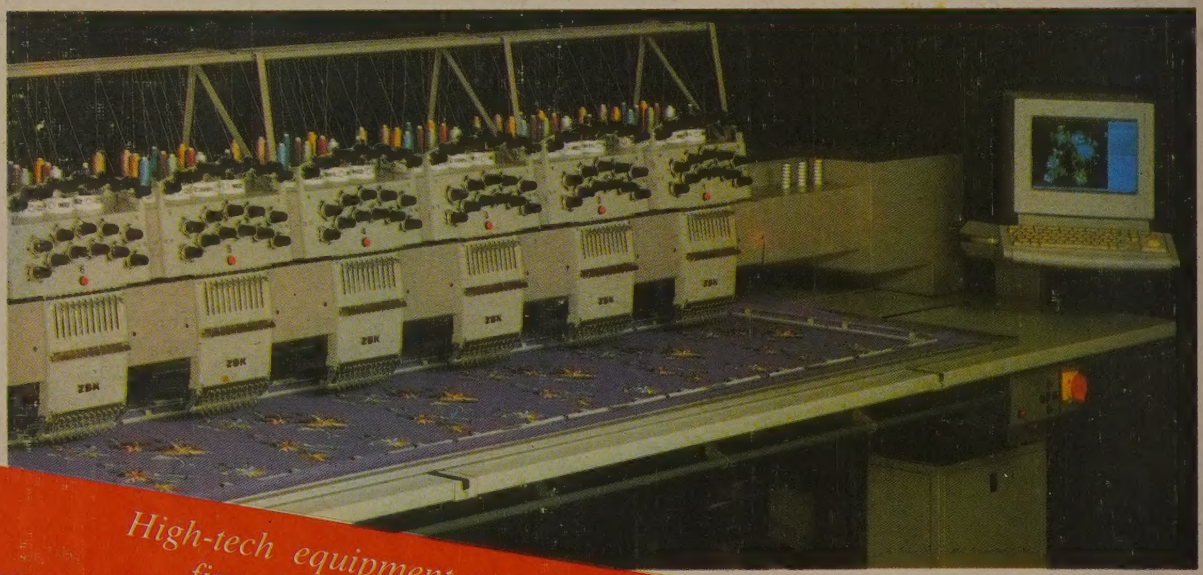

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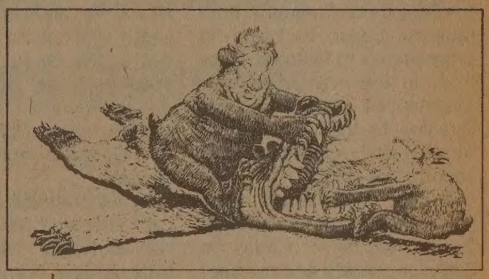

Rivalry between Russia and Ukraine causing world anxiety

Drawing from The Guardian (Great Britain)

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Messrs. Baburin, Zyuganov and other "patriots" take us for idiots

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Singer Pyotr Khudyakov lucks out in Austria

Voice of Freedom from Moscow

Last summer I was in Vietnam. It was the same time that the Voice of Freedom from Moscow began to beam its programmes to Vietnam. I saw tears in the eyes of my acquaintances when they were listening to the statement of monk Thich Huen Quang broacast by that station. The monk was kept under house arrest for ten years only because he fought, as he continues to fight, for equality and the freedom of preaching Buddhism.

Why do some people regard Moscow broadcasts for Vietnam as immoral? Many prople in my country tune in their radios to this station to learn how their children live. I have in mind the workers and students residing in the Commonwealth of Independent States. They hope to hear the voices of their sons and daughters. The radio station is virtually the only thread linking Vietnamese mothers with their children.

I admit with regret that I fear to say openly what I think about my homeland. That is why I use a psedonym to sign this letter.

Manh Huang,
Vietnamese student

"Slovak Katyn"

Thanks to Boris Yeltsin the riddle of mass executions in Katyn has at last been solved. For many years it was shrouded in shameful lies. One person who may have played a role in concealing the truth about Katyn is that "superdemocrat" Gorbachev. However, so far we know very little about the "Slovak Katyn." We know only that in December 1943, when he was in Moscow, Benes called for punishing the Slovaks. After the war, with the tacit consent of Czechoslovak authorities thousands of people, most from Eastern Slovakia, were sent to Soviet prison camps. There was an instance when all guests present at a wedding were arrested. The number of arrested Slovaks ranges from 12,000 to 50,000. Many of them died in camps. The appropriate documents are kept in Prague and Moscow. The "superdemocrat," Vaclav Havel, is another one who keeps silent about the "Slovak Katyn." So far he decided to speak up only on the main political crime of Benes, namely, the expulsion of Sudeten Germans from Czechoslovakia.

Benes and Stalin bear political responsibility for the "Slovak Katyn." The responsibility is also borne by Havel and Gorbachev. It is necesssary to reveal the truth about the "Slovak Katyn" and the names of people involved in this tragedy, both victims and culprits.

Z.Sachs
Bratislava

Russians demonstrate sincerity

Yeltsin's decision to hand the documents about Katyn to Polish authorities is not only a generous symbolic gesture. It can favourably influence diplomatic relations between Poland and Russia. "Katyn is a symbol of sincerity in our relations," President Lech Walesa said, who admitted that he was agitated when he accepted the documents. "Yesterday the crimes were followed by lies. Today, the truth publicly revealed by Yeltsin will be followed by understanding, confidence and friendship," Walesa stressed.

Masanao Matsuno
Tokyo

Troops need homes to withdraw to

One of the main reasons for a slow withdrawal of Russian troops from the Baltic republics is the absence of housing for them. Germany acted wisely by launching a programme of housing construction for the troops now stationed on its territory. I think the international community should be sufficiently reasonable to help avert a possible conflict between Russia and Baltic states. In this unique period of the Russian troops' withdrawal, it should give assistance in the building of houses for servicemen and their families. It is a special case. It is my desire that both American and West European businessmen become involved in this matter.

Mijako Todorovic
Belgrade

A pass to civilized society

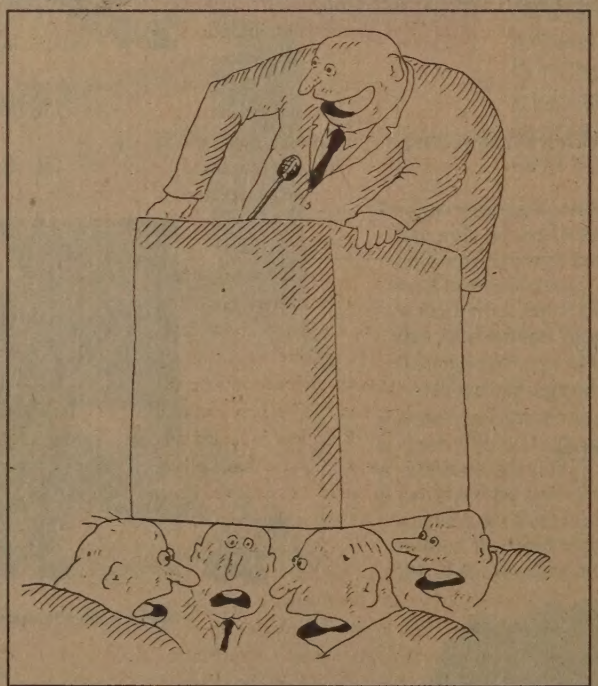
The presence of Russian troops in the Baltic states without their consent is incompatible with their sovereign and independent status. These troops continue to change locations on the territory of the Baltic states without permission, or even preliminary notification of these states' authorities. The rotation of the military personnel continues. Russian troops conduct exercises in which ammunition is used. Air force exercises are dangerous for civil aviation. The ports, famous for brisk trade in the past, are occupied by warships. The tracking station in Ventspils, Latvia, is used for spying on third countries. Neither the government of Estonia nor international inspectors have access to the nuclear reactors stationed in that republic.

In addition to being a threat to national independence, the presence of Russian troops creates other problems. It scares foreign investors away and causes harm to the environment.

Unless the sides reach agreement on the main issues, namely, the procedure for the withdrawal and the deadline for it, Russia will be unable, in my opinion, to be a member of the community of civilized nations.

Vencel Hazi,
student,
Budapest

THE WAY I SEE IT



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An unpredictable President, an extravagant minister and a raucous Congress

In Russia, they feel liable only to God, trying to avoid responsibility before other instances and act at their own discretion. The sources of inspiration are purely personal, hence yeilding to no prognostication. Agreements, even those committed to paper, not to mention verbal ones, aren't worth anything. It fits, therefore, that in the course of the stormy Congress, otherwise eloquent delegates, and even the President himself, stumbled when trying to pronounce the word "gentlemanly." They were much less successful at this than in circumventing agreements which, in accordance with the international tradition, even in Russia are called "gentleman's."

Long before the Congress opened, President Yeltsin decided to see to it that the Congress go smoothly, without unduly increasing agitation in an already anxious society. Influential parliamentary forces were also eager to demonstrate the businesslike intentions of this world's largest parliament, not to count the All-China Assembly of People's Representatives. Everyone wanted to look imposing, and after long backstage discussions, mainly at night, the sides agreed that the President would peacefully let go of unpopular ministers, the parliamentary majority in its turn supporting all his initiatives.

It turned out, however, that the President hadn't been sincere. His rather aggressive opening speech at the Congress didn't contain even a hint at concessions, at the possibility of an alliance with anyone outside the notorious "Gaidar's team." The reaction to it was an attack on the President, Gaidar and reforms even by those who would have otherwise preferred not to make a fuss, if the President hadn't shunned previously reached agreements. It took the President 8 days to start manoeuvring and go back on his word. A new round of nocturnal negotiations started, new gentleman's agreements were made. All sharp edges seemed removed by the night of December 9, but on the morning of December 10 the President "fired out" his appeal to the people, threatening to bury parliamentarism in Russia till coming of better times.

As a result, the President making a big gamble suffered a big loss. He could have urged the Congress to discuss problems like the economic situation, prices, crime, ecology, etc. – everything common people are concerned with. Instead the Congress was wrapped by the President in an intricate political intrigue, in which all these problems were mentioned only in an attempt to crush the opponent. He could have saved Gaidar – instead he wrecklessly betrayed him, as he had more than once betrayed his political comrades-in-arms.

The President was not the only loser. Russia's prestige suffered in the world when it watched in perplexion people who were much more anxious about questions of personal power than law and common sense. The Congress itself, which adopted the amendment on private land ownership by the way, while wasting an absurdly long time on picking the Chairman of the government to pieces, presented a very pitiful sight. TV watchers were treated to images of endless crowds near the microphones, a vulgar scuffle and inarticulate "soulful" statements. It looks as if parliamentarism in Russia has become senile without having grown up first!

As for Russian Foreign Minister Andrei Kozyrev, he chose to help the delegates eat him up and to relieve the President of the trouble of doing away with him. His Stockholm joke with two mutually exclusive speeches also damaged Russia's prestige in the world which expects much from the head of a large country's diplomatic service, but surely not student's extravagancy.

Vladimir Kulistikov

THIS WEEK

■ The Seventh Congress of People's Deputies of Russia has ended after two weeks of deliberations. One of the main point of its agenda was the appointment of a new Premier. The work of the previous government, headed by Yegor Gaidar, was assessed as unsatisfactory. Nonetheless, the President again nominated him for the post of Premier. The Congress finally rejected the candidacy of Gaidar. Having accused the deputies of conservatism, Yeltsin left the Congress. A mediatory commission, in which Constitutional Court Chairman Vitaly Zorkin played an active part, reached a compromise by proposing a "soft rating voting" on the candidature to the post of Premier. The election under a new system was held on the last day of the Congress. Vice-Premier Victor Chernomyrdin was appointed new Premier of Russia.

Yegor Gaidar. The Moor has done his duty?

■ The Congress adopted a number of decisions: on the stabilization of the constitutional system in the federation, the observance of law, the struggle against crime and corruption, stronger control over the news media, radio and television news foremost, by the Parliament.

The amendments introduced in Article 12 of the Constitution confirm private ownership of land. They extend the rights of landowners, by legalizing the sale of land, though on a very limited scale. However, this right will not be enjoyed by the main agricultural producers – farmers, members of collective farms, associations, and joint-stock societies.

The Congress effected a rotation in the Parliament by renewing part of its membership. It also adopted an appeal to the former, now independent republics of the Union, calling for the promotion of economic, political and other ties.

■ The Moldovan government along with leaders of the Dniester Republic began talks on granting the region a special status. President Mircea Snegur expressed Kishinev's readiness to grant the Dniester Republic any form of legal and economic independence, "but within the bounds of law." Igor Smirnov, head of the Tiraspol administration, said that his republic would support this proposal at the talks.

Moldovan children are also happy when the adults make peace

In Moldova, both on the left and right banks of the Dniester, there is growing conviction that stabilization of the situation in the eastern area and an improvement of Kishinev-Tiraspol relations are vitally essential for the further economic progress of the republic as a whole.

■ Control in Dushanbe, capital of Tajikistan, has been taken over by law-enforcement bodies and the Popular Front. According to the new Interior Ministry, these forces see their main task in an early stabilization of the socio-political situation and the ending of bloodshed in the republic. The Popular Front supports the government constitutionally elected at the latest session of the Tajik Parliament. The new leaders are not going to persecute citizens for their political or religious beliefs. All those who have arms were urged to hand them over to the authorities and return to peaceful work. There is a long way to go, however, to a complete stabilization. The armed opposition, using armoured vehicles and artillery, continues its attacks on the capital. Russian servicemen help the city authorities maintain public order in the streets and render material aid by filling up the tanks of cars on which foodstuffs are delivered to shops.

■ The Seventh Congress of People's Deputies made an amendment to Article 71 of the Constitution transforming the Chechen-Ingush Republic into the Ingush and Chechen Republics within the Russian Federation.

The Russian troops stationed in the conflict zone in North Ossetia and the Ingush Republic remain under fire. By a decision of the head of the provisional administration, preliminary censorship of materials intended for publication was introduced in the war zone.

Hostages are one of the main stumbling-blocks on the way to a settelement of the Ossetian-Ingush conflict. The process of exchanging them has resumed, but it is proceeding very slowly. The Ossets assert that 198 people are illegally kept in the Ingush Republic. The other side claims that 662 Ingushes have disappeared or are held as hostages.

Vladikavkaz: Russian troops hand out meals to refugees

■ The leaders of the European Community, who took part in the latest session of the European Council, signed a joint declaration of support for Yeltsin's reforms. At the same time, they expressed the hope for reaching an early agreement under which the payment of the former Soviet Union's debts will be rescheduled. In their opinion, a good crop was harvested this year in the former republics of the USSR. That is why additional credits for the purchase of food and medicines apparently will not be needed.

■ The destiny of science on the territory of the former USSR arouses growing concern in the West, where about 15 foundations have been established to encourage research in the former Soviet republics. It was announced recently that a major contribution to funding the sciences on the territory of the former USSR was made by the Soros Charitable Foundation.

THIS WEEK

George Soros decided to allocate 100 million dollars over the next two years to the direct financing of research work and study programmes on the territory of the former USSR. The funds will be distributed by experts of his foundation, who are to assess the importance of various research projects. Six million dollars is to be allocated in the next few months to support especially important trends in scientific research.

■ One hundred and forty volumes of text used in the criminal case against the emergency-rule clique, and five volumes of the indictment have been handed over to Valentin Stepankov, Procurator-General of the Russian Federation. Nine top officials of the former USSR – Lukyanov, Yanayev, Pavlov, Yazov, Kryuchkov, Varennikov, Plekhanov, Generalov and Baklanov – and two former public figures – Starodubtsev and Tizyakov – are accused of high treason under Article 64 of the Criminal Code of Russia.

■ One more problem has been added to the numerous troubles plaguing Russia in recent time. It is the problem of refugees from other countries.

According to the Independent Coordinating Committee for the Affairs of Refugees, about 13,000 families of Afghans, Somalians, Ethiopians, and Kurds from the Middle East are now staying on the territory of Russia without any lawful rights. About 7,000 families are seeking refuge in Moscow alone. In addition, there are also students from around the world and workers, most of all from Vietnam, who refuse to return home.

Most of these people live in appalling conditions. They live without access to medical care. They often sleep in railway stations, where they get robbed. The plight of these "immigrants" impels them to make deals with criminals. Having been left without a livelihood and without hope in the authorities improving their lot, some refugees threaten to kill their children or commit suicide.

■ The Moscow Procurator's Office has decided to bring an action against the newspapers *Moskovsky Komsomolets* and *Chastnaya Zhizn* for the publication of notices about "crimes that were being prepared or committed."

The newspapers are accused, in particular, of carrying such ads as "hard currency for sale and purchase," as well as notices about the purchase and sale of property for hard currency (in violation of rules on currency operations). They also published ads on the sale and purchase of orders and medals, which is banned by the Criminal Code.

The two newspapers also carried ads by people who were ready to provide "intimate services," "massage around the clock," and "charming girls without complexes," with their telephone numbers. In the opinion of the Procurator's Office such actions fall under an article making pimping and the maintenance of houses of prostitution a criminal offence.

■ A system of fines for the violation of labour discipline has been introduced at the Voronezh Tyre Plant. Educational talks and public censure have given way to financial settlements between the administration and those who make infringements. The following fines have been introduced: 200 rubles for being late for work, 500 rubles for smoking in the wrong place, 1,000 rubles for an attempt to go through the plant gates in a state of intoxication, and 1.500 rubles for leaving the plant "in a state of intoxication." Psychological protection of the guards is envisaged too. A person who uses four-letter words against them can be fined 2,000 rubles.

CARTOON OF THE WEEK

Drawing by Vladimir Mochalov

■ With the coming of winter, new priorities were clear at an auction held at the Troika exchange in Krasnoyarsk, Central Siberia. A batch of felt boots was sold at the price of 800 rubles for a pair, while sable hides cost only 5,000 rubles each. The traditional gulf between the prices of these goods – luxury items and basic necessities in Siberia – has been overcome. Felt boots are growing more expensive while sable fur falls in price.

■ At the World Beauty Contest held in South Africa a Russian woman was awarded the title Miss World for the first time in the 42-year-old history of similar contests. Yulia Kurochkina, 19, previously won the title Miss Russia. Women from 79 countries took part in the contest. The jury consisted of world famous modellers and designers, cinema and variety stars.

■ Robbers climbed up the roof of the US embassy residence in Tallinn one night dismantling and carrying away the most important and precious parts of the aerial for receiving satellite television, and thereby disturbing the work routine of the US diplomatic mission.

Quotation of the week

"It is time for those who love Russia, but not the fruit of their imagination, to discontinue the search for a 'modern Russian ideology,' the artificial fabricating of ideologies and world outlooks 'for the Russian people.' The Russian Idea, invariable in its lofty morals and force of attraction, has existed by centuries. Thanks to God, it has outlived the passage of time, hard periods and wars, revolutions and 'perestroikas' and does not need to be replaced or amended because it is based on the absolute rightness of the Law of God and his holy commandments."

Ioann, Metropolitan of St. Petersburg and Ladoga,
permanent member of the Holy Synod,
Russian Orthodox Church

Looming at the end of the tunnel is... the Congress

Russian strongman Yeltsin myth over.
President "surrenders" democrats and reform team,
follows in Gorbachev's footsteps.
Such tactics led to USSR's President's downfall.
What will overtake Russia's President?

Below our Parliamentary correspondents reflect on the Congress's basic political results

Congress dictatorship threatens

Expecting dispersal any moment, the deputies decided whether to hedge themselves in immediately, or to wait, but mounting the rostrum now was not the revolutionary seaman Zheleznyak, who dispersed the Constituent Assembly in 1917, but the Constitutional Court's presiding judge Valery Zorkin.

Yet the President and the Congress are so eager to test one another's strength, to find out which is more popularly elected, more legitimate and more all-powerful. Some believe the deputies under chieftain Khasbulatov were the bully boys, others that Yeltsin himself was prepared to attack.

Is the voice of the deputies the voice of God?

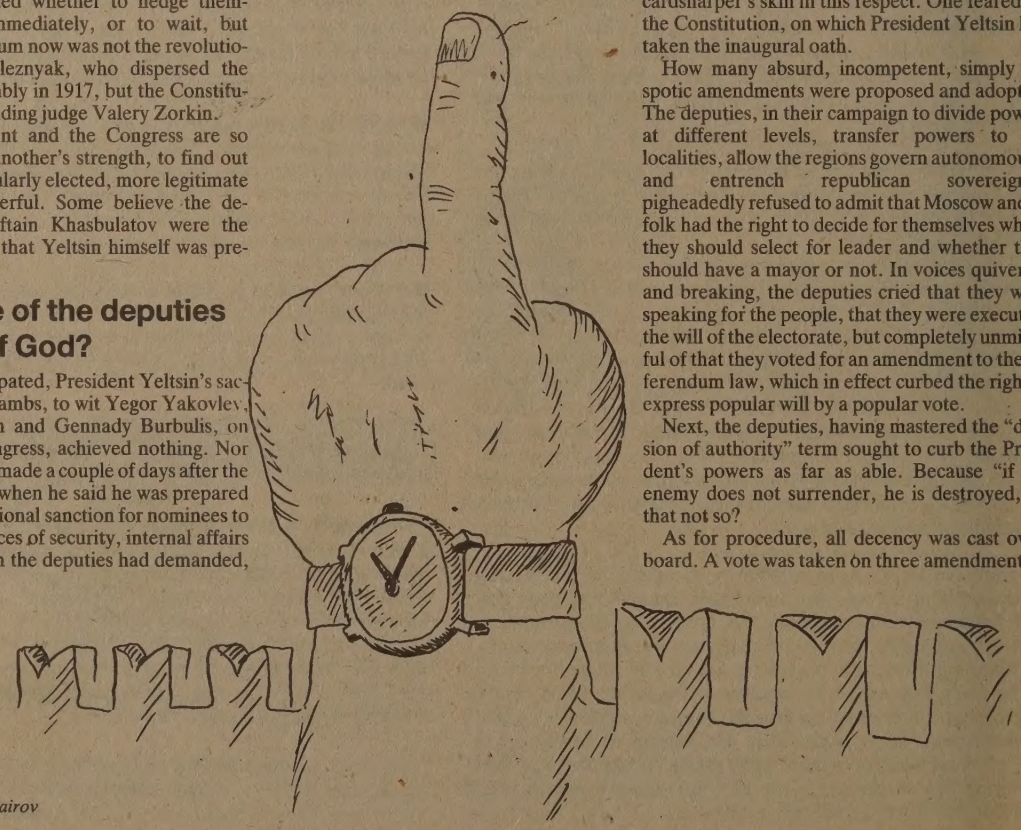
As was to be anticipated, President Yeltsin's sacrifice of the ritual lambs, to wit Yegor Yakovlev, Mikhail Poltoranin and Gennady Burbulis, on the eve of the Congress, achieved nothing. Nor did the concession made a couple of days after the Congress opened, when he said he was prepared to accept Congressional sanction for nominees to the ministerial offices of security, internal affairs and defence, which the deputies had demanded, and even of foreign affairs which nobody thought the President would do. Such was the ransom offered for Gaidar.

It was not very happily put. It was too rude and blunt which even set back our none too tender and delicate deputies. Basic though was not the emotional aspect. The deputies wanted everything or nothing well aware that the "nothing" was not for them as they had the constitutional ace of trumps up their sleeve. They displayed the cardsharper's skill in this respect. One feared for the Constitution, on which President Yeltsin had taken the inaugural oath.

How many absurd, incompetent, simply despotic amendments were proposed and adopted! The deputies, in their campaign to divide powers at different levels, transfer powers to the localities, allow the regions govern autonomously and entrench republican sovereignty, pigheadedly refused to admit that Moscow and its folk had the right to decide for themselves whom they should select for leader and whether they should have a mayor or not. In voices quivering and breaking, the deputies cried that they were speaking for the people, that they were executing the will of the electorate, but completely unmindful of that they voted for an amendment to the referendum law, which in effect curbed the right to express popular will by a popular vote.

Next, the deputies, having mastered the "division of authority" term sought to curb the President's powers as far as able. Because "if the enemy does not surrender, he is destroyed," is that not so?

As for procedure, all decency was cast overboard. A vote was taken on three amendments in



Drawing by Marat Tairov

The presiding judge of the Constitutional Court has reconciled legislature and executive. For long though?

the space of a minute, with neither discussion, nor explanations offered, plus neverending comments from the Speaker that this amendment be backed, and that not. Parliamentary rotation, so lengthily mooted by the deputies, was enacted in complete violation of human rights. For some reason the territorial delegations – although the Congress can have no terriorial delegations at all as it is made up of totally equal, individually, popularly elected deputies – and the Speaker himself decided who was to stay on in Parliament and who be sent away, and who be installed in the seats vacated, even though according to the law, over the five-year tenure all the deputies must sit in Parliament and no one may decide who be in Parliament or not.

Day after day the deputies impressed upon themselves that they were the supreme authority and that there was nobody above them. Hence that well-known maxim about the voice of the people being the voice of God should evidently be rendered as the voice of the deputies being the voice of God, with everything from the President's lips the voice of the devil.

Mystic presence

Still the deputies, also having hearts, reacted keenly to the President's untactful offer to go to the nation and ask whom the electors trusted more, the President or Congress, as regarded the promotion of reform.

Was the President right to do that? Because of his surprise statement, Yeltsin was condemned by everyone, including the Democrats who had tried so hard to uphold presidential prerogatives and the reform cabinet. What did Yeltsin gain thereby? Nothing, it is thought.

The constitutional amendments were frozen? Most likely they would have been contested in the Constitutional Court and in all probability would have not been enforced. Yeltsin was entitled to designate an acting Premier were the Congress to decline his candidate? He could have done that earlier. However, he threw to the mob the head of his principal adviser, for which even his opponents will despise him. The deputies felt gratified only for a moment or so.

What did the deputies obtain? Firstly Burbulis; though not mentioned in the agreement, the decree sacking him was a precondition for negotiation... Are the deputies so certain that was what they really wanted? One astonishing impression is the wide currency of rumour and myth amongst the deputies.

Burbulis's "satanization" in the eyes of the deputies intensified from Congress to Congress. This time all were convinced that Burbulis was that spawn of Satan exerting an infernal influence on the President. It was alleged that he was ruling the country for the President and that he exercised all the powers and doings of Skokov, Petrov and other Presidential aides in toto. The Speaker so happy over having eventually transfixed the State Secretary in his lair, did not name him once, evidently succumbing to a mystic feeling that he might invoke misfortune thereby. But that should be flattering for Burbulis.

Admittedly these rumours were heavily exaggerated. Even our deputies are fed unauthentic information.

So to sum up, what has that agreement brought us?

In Russia the Court is more than just a lawcourt

What we have gained is a strong, prestigious Constitutional Court. We now have a precedent, which shows that in Russia the Constitutional Court will henceforth mean more than just a lawcourt. It will be not just a legal instance, but a political force.

Willi-nilly, it served as a factor stabilizing a situation, when the conflict between the two arms of authority had deadlocked the Congress seemingly for good. It compelled them to negotiate. The Constitution has no provisions for resolving conflicts of principle between the executive and the legislature. All they may do is to fight it out to the bitter death, though the deputies think themselves invulnerable, as, in the final analysis, the President's prerogatives may be curbed by impeachment, but as far as they are concerned, no sword hangs over them.

The presiding judge of the Constitutional Court unequivocally declared that unless the President and the Congress used all their powers to negotiate, the Court would initiate procedures for impeaching not only the President, but also the Speaker. That, of course, was unveiled pressure and though here Zorkin overstepped Constitutional limitations, it took effect, as the voice of reason, not of ambition, which brought the deputies to their senses.

The agreement also explicitly shows that the Constitutional Court has extracted everything conceivable from the obtaining situation. This firstly concerns a Constitutional referendum. The judges including Valery Zorkin stated more than once that they considered the adoption of a new Con-

Gaidar will not remain without a job. But won't we regret soon his parting?

stitution the present leadership's paramount objective. But the deputies patently dragged. At this Congress again, the issue Oleg Rumyantsev had raised "Concerning the adoption of a new Constitution in 1993" was modified by the grumbling deputies to "Concerning the further elaboration of the draft of the new Constitution." Meanwhile the judges are compelled to abide by the so bodgily patched, contradictory, atavistic Constitution currently in force.

Secondly, the by-elections of constitutional judges is embargoed. Equilibrium in the Court itself is most fragile and any change in its body may dynamite, split, and inactivate it. Zorkin again secured his objective.

The Court had evidently not sought to shoulder the burden of acting as political referee. In vain do the deputies now reproach it for that, as actually it was the Congress and President that made it assume this role. Naturally the court could have intervened later, when, for instance, lodged would have been the complaint that the new amendments or the President's announced referendum were unconstitutional. However, the couple of months this would have occupied would have paralyzed authority. The economy would have gone haywire and the entire situation would have possibly resulted in Russia's disintegration.

A knife up his sleeve

The President lacked stamina and farsightedness. The impression one gets is that he has no competent analysts as aides. The pipe of peace he smoked with Volsky and the Civic Union failed to yield votes. The Civic Union leader Nikolai Travkin's speech was among the most irreconcilable, while his utterances in the foyer and at news conferences were most rabid.

The deputies regarded Yeltsin's shedding of Democrat comrades to please the Congress majority as granted, and there was no particular reward. On the other hand, this rocked his alliance with the Democratic Russia, his sole consistent supporter.

The second crucial result, after the elevation of the Constitutional Court, is the creation of a presidential party. Yeltsin has abandoned the pretty idea of being president for all Russians, the voice of all interests. Popularity is a shaky thing, especially at a time of burdensome reform. Needed is a structure that would back a politician with its own long-term interests always in mind. A party could serve as such a structure. Yeltsin is admittedly late.

After all, Khasbulatov already has a pocket party to wit the Congress, that some have even termed the knife up his sleeve. Moreover, the Speaker's praetorian guard enjoys exceptional power, which nought else enjoy.

Vice-President Rutskoi also has his own Free Russia party which is unambiguously and unswervingly grooming him for the presidency. True, after the turbulent negotiations and the vote on the tripartite agreement, his statement receded into the background, even though he was one of the many to collar political gains as his disavowal of the President and emphasis on his own stance was much to the liking of the deputies, winning approbation from the most rabid opposition.

* * *

Meanwhile President Yeltsin, who called for a popular referendum and explained his stand at the Lenin Komsomol Automobile Plant, could not but realize that today nobody would rush to defend either him or the Congress. The August of 1991 would not be repeated.

The salient feature of this Congress was the distinct difference between the ambitions raging within the Kremlin Palace and the day-to-day interests of the man-in-the-street, who cared nought for the Congress, as the political tempests in the corridors of power no longer attract the eye. Electors have no doubt that the politicians seek merely to feather their own nests.

EXCLUSIVE FOR NTI

Vladimir Lukin:

"Not interested in personal matters"

Before he was appointed Russia's Ambassador to the USA, Vladimir Lukin, who is a People's Deputy of the Russian Federation, headed the Parliamentary Committee for International Affairs. In recent months rumour has persistently designated him as Foreign Minister, which, as Lukin himself notes, has already set him at loggerheads with some in Parliament and government. A sensible sober-thinking Liberal Democrat, he belongs to the Consent for Progress faction.

NTI. How would you assess the agreement between Yeltsin, Khasbulatov and Zorkin?

Vladimir Lukin. I think we are over the rough despite the heavy going and have not lost our democratic values. Which shows that we can move along.

NTI. Do you think all three sides will observe the agreement?

V.L. A Soviet never really honours anything. Nevertheless the sides have agreed to set up observer teams, whose status is not quite clear thus far. Thank God, we have the Constitutional Court which initiated the conciliation. If you haven't forgotten at one time there was talk as to whether we should have a Constitutional Court or not.

Two Congresses back I told the deputies that all our political in-fighting was nothing compared to election of Constitutio Judges. I know it's not r to brag, especially at time in life, but I was righ

Today it is plainer t ever that not ideal peopl power structures are de sive for promoting dem racy, but promptly est lished institutions. Th rudiments of the polit culture that has repla autocracy begin functi ing, even though the pec in these structures o arouse complex feelings

NTI. What do you th the best way out of the s ation?

V.L. Earlier I had a han talks with the President saw something of this or shaping up already then.

Though for a time both deputies and many viewers wondered when the man with the gun would turn up, the Congress showed that talk of force is no longer possible. The traditionally blunt violence still haunting the country is no longer "in vogue." It has modified, assuming political forms which though boorish and arrogant indicate that the gunpoint is no longer the clincher. This is certainly a crucial result.

This Congress should not be dispersed. This President should not be booted out. We just have to survive, trying as hard as possible to not let them gobble up each other.

Marina Shakina

What's coming? April!

Thank God the Congress is over! Even though it went on for too long. We shall go on living as if it never happened, as if it had been a nightmare that should be forgotten, and give no thought to how they mangled the Constitution and the government.

That would be so if not for the inevitably coming Eighth Congress, which is to finish everything the Seventh Congress could not handle. True, before it comes there will presumably be a referendum. But for the time being it is hard to say whether that will be a landmark. Everything depends on what we will be having when April comes. After all, put up for the referendum will be the basic provisions of the Constitution that Parliament has approved. This is not Shakhrai's version for a presidential republic, even not the semi-parliamentarian version that

Victor Chernomyrdin, the new Premier, representing the power complex, Russia's biggest monopoly, says: "I stand for a market economy, but am against the population's impoverishment"

afted the version for an greement between Presint and Speaker, but by w the deputies had lopted a whole heap of w amendments, includg the notorious referenm amendment. I do not lvocate referendums, beuse, as a trained histoin, I well know that all ctatorships start after reendums, but it is after all mply out of question to late right there and then agreement reached! at's sheer Sovietism.

NTI. Don't you think it ry easy here to modify te Constitution?

V.L. While no new Contution has been enacted, e are fated to modify the esent one. As for a new nstitution I would make ovisions for tough rules on nending it that would mpare to the American. In e United States besides ngressional sanction ere must also be a twords majority for in the ate legislative assemblies.

As for our operative Constitution, we have improved it by introducing provisions on human rights, the division of authority, and so on.

NTI. Now tell me, will you nevertheless become Foreign Minister?

V.L. Why do you insist on asking that?

There are several aspects here. First, do I know anything about it? I don't. Second, do I want to be Minister. I don't. Third, have I been offered the job? No.

If I'm told that in the current political situation my service as a Foreign Minister is essential to preserving stability and equilibrium between the different political forces, then as a responsible man I would accept that appointment, but with great reluctance, as I like my present post. That's the way I see it.

NTI. Kozyrev is constantly censured by the deputies. Would you think him the wrong man for the job?

V.L. I wouldn't like to answer that. I'm not particularly interested in personal matters. What interests me is reform and people getting land... I don't think Russia has only fifteen persons, who as leaders be necessary for democracy. I think, that to refer to myself too.

Indeed, I would be completely unaware of reality if I thought democracy in Russia would suffer were I sacked from Parliament or from my job as Ambassador.

I believe at least five or six worthy candidates could be found for every high office. The reform is irreversible, and how many months some Ivanov holds this or that office, or some Petrov, or myself,is not significant. Though, of course, it is better for capable people do the job than those not as capable.

Interviewer: **M.Shakina**

Rumyantsev proposed, but rather a mixture of the Rumyantsev and the Slobodkin versions, in which Parliament will surely reserve the broadest conceivable powers for forming the government.

True, according to the Stabilization Resolution signed on December 12, the text is to be concerted with the President, and if he vetoes it, the two wordings are to be put to the vote as alternatives. However, after the Resolution was passed, Nikolai Ryabov authoritatively explained to the somewhat dismayed deputies that they had nothing to worry about as Parliament would have the final say and that if they would find any of the President's wordings unsuitable, they would not be put to the vote.

Leapfrog is no Russian game

Does one really think Parliament will so obstructively disregard both the agreement and Presidential volition? A mere month ago that seemed out of the question. Nowadays after the Congress, there is no guarantee against that. It all depends on whether the President regains his erstwhile prestigious, powerful image.

Come to think of it, what's so bad about a parliamentary republic? Take Italy, for instance, where Parliament forms the government. True, characteristic of that country is the frequent alternation of governments that seem to leapfrog. Though political crises continually erupt, nevertheless the country survives!

In the first place, Italy is not Russia. Its

The opposition's truly mystical hatred focussed on Gennady Burbulis

people may simply fail to notice a change of government. In the second place, as in any parliamentary republic, the President may dissolve Parliament. This is mandatory from the angle of the principle of the checks and balances between the legislature and the executive, a principle without which democracy today is out of the question. Consequently, the Seventh Congress undertook the first attempt, while in April Parliament will undertake the next attempt to impose upon us not a parliamentary republic, but some unnatural mishmash. After all, the deputies declined to modify Article 104 and call themselves the "highest representative authority." They generally are the "highest authority" on earth and perhaps in heaven as well.

As a matter of fact, today Russia scarcely needs a parliamentary republic, even a normal well-balanced one, with a well-oiled machinery for resolving governmental crises. As for that interminable pre-reform wrangle, as to whether Russia could have a market economy in a democracy, those fearing authoritarian rule gained the upper hand. Nobody has questioned the obvious, which is that reform will be successfully implemented only given a strong, efficient, **stable** executive. However, today the frequent alternation of cabinets spells as the frequent alternation of economic policies. Will we survive?

It is often alleged that to hold a referendum over constitutional principles is sheer political speculation, insofar as our compatriots will presumably fail to consciously choose between presidential and quasi-parliamentarian rule. No doubt they will not be able to do so if they are left with but ten days to study the text all by themselves, as the Resolution requires that the "basic provisions" be made public but ten days before the Referendum. But they will be able to choose, if they have the opportunity to listen to explanations by legal minds and political scientists advocating one or another model, if told in down-to-earth terms how government operates in other countries. In short, provided the mass media remain independent and of many colours before April comes. But can we be sure of that? Khasbulatov has already shown his teeth with respect to the media, while Yeltsin had displayed an inability to stick up for them.

Happy Khasbulatov

Every newcomer to a meeting of the Reform Coalition (the Parliamentary faction supporting the Gaidar government) wonders why we tolerate the Speaker and do not call for his resignation, which point he shores up with a fresh example of breaches of procedure and rules or of more rudeness. However he hears that the issue had been raised time and again, to unluckily poll a diminishing vote while now nothing can be done as the Congress has found the Speaker very much to its liking.

The Speaker gained especially after the December 10–11 political crisis. He must be credited for having put the situation to good advantage. He resigned, having preliminarily switched on live transmission to enable all to see how worried the deputies were when they lost him for a mere half-hour, and how urgently they pleaded with him to come back. He then composed the negotiating team proposing first Lukin and Ambartsumov, claiming that "diplomats are necessary," but subsequently rethought the matter, dropped them, and installed in their place Shorin and Travkin, evidently as more diplomatic. All approved. Finally, without discussion or comment, the concerted text of the resolution was immediately put to the vote. Did he really fear it wouldn't go otherwise? Hardly. On the contrary, judging by the response from the hall and after Ryabov's explanations, the resolution polled a still greater following. He just had to demonstrate his personal contribution to this historic event. "I am pleased with you today," he told the deputies, with good reason for saying so.

Until recently the Speaker's political ambitions and intrigues had been opposed not by a strong executive, which is still in swaddling clothes, but by the President's charisma, coupled with his ringing declarations of preparedness to uphold reform. However, both before and during the Congress, the President disclosed his impotence.

At the beginning of the Seventh Congress, the issue of impeachment was not on the agenda, as the deputies were still afraid of Yeltsin. More or less likely they will not have it on the agenda of the Eighth Congress, as being now too weak he is no longer feared.

Sure that April's coming?

Still what will we be having when April comes? Replying to a question from the floor, Yegor Gaidar said that if everything worked out well, that is if cooperation with the Central Bank was normal and a consistent deflationary policy was implemented, inflation could be curbed by April. However, tangibly lessening inflation can be envisaged only by autumn. Which means at best — and as the result of the Congress we probably have the worst option — prices will more than double by April, and the cabinet will be completely overhauled.

Given the option of the Civic Union policy of state subsidies for enterprises operating at a loss, we will inevitably slide into hyperinflation and become, as Gaidar warned, an underdeveloped country.

We can live with inflation, but not for long, as sooner or later, we need to spend what has been put aside. One's winter coat and shoes will have worn out but one's wages won't be enough to buy a new coat or a new pair of shoes; then one's fridge or TV may break down, while, finally, a member of the family might fall sick.

In conditions of inflation profit-making production is out of question. Only speculation is conceivable, as spelling the immediate turnover of capital. Inflation demoralizes society, as it is always attended by mounting crime. Yet most dangerous is hyperinflation, which, to all practical intents cannot be squashed by economic means. Hyperinflation almost invariably leads to a dictatorship which the weary

The Seventh Congress will be remembered President, and scuffles in the hall

citizenry will not resist now as they hope to have "at least some semblance of law and order."

Do you think Russia has no force today that might seize power? That will not be necessary, though. The model for a "constitutionalized" slide into a dictatorship has already been tested at the Congress. Hence there need be no doubt that at the next Congress, usurpation of powers will continue.

Galina Kovalskaya

Russia in the year 2000

A trial forecast based on two statements.

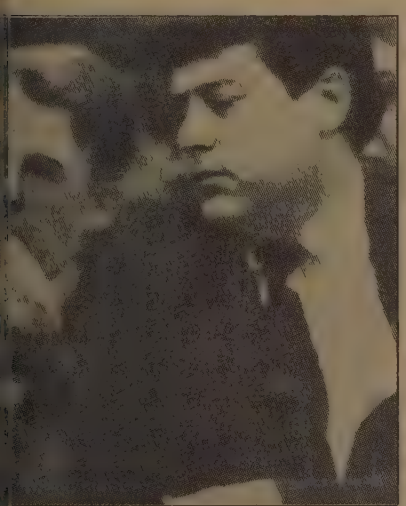
If we tentatively borrow everything optimistic that Yeltsin indicated in his report and everything pessimistic that Khasbulatov noted in his statement, we may, proceeding therefrom, compile two scenarios for Russia up to the year 2000. Though the President also made some pessimistic points, while the Speaker revealed some amount of optimism, while their overall intonation drastically differed, we may suggest the following two options for Russia's development up to the year 2000.

The optimistic option

1. As an integral unit Russia will regain political stability by next year and normal advancement will commence. Relationships between legislature and executive will assume a civilized form.

2. Russian business and entrepreneurship geared to the gratification of national interests will properly inaugurate as of next year.

3. Government control of society's observance of law and order will greatly intensify over the next 2-3 years and will be accompanied by broadening democratic rights.



for the change of government, a defeat for the

4. The foundation for reform in Russia built in the 1990s will not only hold, but by the year 2000 will serve as the basis for a free socially-geared market economy.

5. A multiple economy ensuring equality to all forms of ownership will be constituted with state support.

6. The reform policy will substantially modify over the immediate future to meet human interests and requirements.

7. Production will cease declining and by the year 2000 the output of farm and industrial products will have steeply increased.

8. Russia's specific features will dominate along with broad cooperation and partnership with the world community.

9. Property ownership will be substantially decentralized and demonopolized, with privatization in big and small completed on the whole by the year 2000.

10. With the backing of businessmen and entrepreneurs the state will provide a sufficiently high level of social protection for all needing it.

11. Society's moral standards will rise and proceeding from achieved welfare levels the beginning of the next, 21st, century will witness a genuine cultural and moral revival.

12. Freedom of speech will no longer be assailed or curbed, but be a natural means of self-expression.

13. Though a truly law-governed state will have still not emerged in the years remaining to the end of the century, the Constitution will govern state life.

14. Economic fragmentation and regional separatism will either disappear or recede over the immediate future. By the year 2000 all regions and autonomies will stand for a united Russia having selfgoverning territories and a strong federation of free republics and regions.

The pessimistic option

1. The decline of production will continue beyond the year 2000 leading to the deterioration of life and impoverishment.

2. Social stratification will continue and intensify demonstrating the still more sharply defined polarization between the well-to-do minority and the socially unprivileged majority.

3. Dislocation of the financial crediting system will continue, unless the model for transition to a market economy is radically overhauled.

4. Economic affairs and links will disintegrate and become ungovernable.

5. The trend towards profiteering in commodities and the diversion of resources to the black market will prevail already in the immediate future.

6. Still more social segments will become declasse, which will substantially contract the social basis for reform.

7. The contradictions between the legislature and the executive will deepen unless by the year 2000 Russia adopts a socially geared market economy model.

8. Hopes of attracting foreign investment will diminish almost fully and after some delay the country will face the need for complete self-reliance.

9. Ideological charges of "anti-reformism" reciprocally laid by the different political forces will continue and consequently discord in the corridors of power will continue.

10. By the year 2000 radical extremism will prevail in political life to thus seriously menace the very lifestring of the democratic state.

11. Given the present trend the disregard of and failure to implement the Constitution, laws and decrees will continue.

12. Interethnic conflicts, the crime wave, corruption and the threat of Russia's disintegration will intensify already over the immediate future.

* * *

As regards two diametrically opposite scenarios outlined for Russia's development to the year 2000, may I emphasize that they are absolutely tentative.

I think that everything depends on the issue of power. Objectively the time will come when reform is either governable or counter-reform will erupt locally. Hence the power struggle is likewise an economic category.

Implied is not only power as a structure, but also power as governing personalities capable of imparting to reform that governable quality which it so desperately needs today. As I see it, the personality factor on all rungs of the legislature and the executive currently dominates.

Yuri Furmanov

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Russia and Baltic states: "a historic compromise"?

The headline question speaks for itself. The situation in the Baltic states remains extremely precarious and uncertain, just as their relations with Russia. Nevertheless, the impression is that the most turbulent period in these relations has past. The parties are descending the rock of mistrust and the gorges of prejudice and coming to a compromise with their feet planted firmly on the ground. At least two factors are contributing to this: inexorable economic needs and world public pressure.

Let's begin with the last mentioned factor. The rights of the Russian-speaking population are the main cause of tension between Russia and the newly independent Baltic states. The laws adopted in Estonia make it extremely difficult for Russians to acquire citizenship. Latvia is drawing up similar laws, but in an even tougher variant directly infringing on the right of ownership as well. That is why President Yeltsin lodged a complaint against "gross and systematic" violations of human rights of the Russian-speaking population in the Baltic states.

The Third Committee of the 47th General Assemly pointed to "the existence in Latvia and Estonia of certain problems affecting large groups of the population." The countries involved in these problems were urged to "step up their efforts on a bilateral level, directed towards removing anxiety over the position of the Russian-speaking population on the basis of generally accepted standards of human-rights international law." A decision was taken to include the question of human rights in Latvia and Estonia in the agenda of the next, 48th General Assembly. The Third Committee noted that the situation in Lithuania is different. Many foreign observers call on Estonia and Latvia to follow the example of their "sister republic."

The UN mission visiting Latvia not long ago recommended it to adopt a law on citizenship without delay, reducing the domicile qualification from 16 to 5 years, rule out cases of barring non-Latvians from the privatization process, and ban by law any instigation of ethnic hostility. At the same time, the UN unequivocally insists on the withdrawal of Russian troops from the Baltic states, and also without delays.

Are we talking about a failure or success in Russian diplomacy? Let us recall history. In the twenties and thirties of this century the Baltic republics formed a "cordon sanitaire" separating Western Europe from Bolshevik-ruled Russia. Before that, their territories were part of the Russian Empire for over 200 years. A "Baltic window into Europe" was cut by force — first under Ivan the Terrible, and then under Peter the Great. But if we go deeper into history we shall find merchants in that area. Riga and Tallinn constituted a major part of Hansa, a famous medieval association of trading cities in Northern Europe. The main part in this association was played by German cities. However, London and Novgorod the Great took part as well. This turned the Baltics into a link between Europe and Russia based on peaceful economic interaction between the Russians, West Europeans and the Baltians.

It seems the time has come to return to the Hansa times and, jointly with the Baltians and West Europeans, begin to construct a new, modern frame for Russia's window into Europe, a frame convenient for all. Nonetheless, it has proved difficult to establish cooperation. And here we come to the second of the above-mentioned facts. Many Baltic politicians have chosen for their countries the role not of a "cordon sanitaire" but of an "amber curtain" which would again fence Europe off from unpredictable Russia. They have taken a course of virtually ending their orientation of their Soviet-built industry primarily to the Russian market, and steering away not only their industrial sector. For instance, the Riga Youth Theatre led by Adolf Shapiro was closed. This compelled the producer, who moved to Warsaw, to describe the present situation in Latvia in the following way: "The former party bureaucracy has merged with right-wing nationalists, close to fascists in their views." Similar tendencies in the Baltic republics can not only disturb but even scare Europe, especially in conditions of the war in Yugoslavia and the resurgence of neo-Nazi xenophobia in Germany. Perhaps this also influenced the recommendations which the West began to give its Baltic friends.

Incidentally, recommendations are hardly necessary if we recall the coming winter during which the Baltic states will badly need Russian oil, and the approaching unemployment caused by a curtailment of their economic ties with Russia. It is not a factor of transient importance, but constant geopolitical reality. No wonder that in Lithuania Landsbergis was quickly replaced by Brazauskas. Estonia's new President Lennart Meri, who came to power under anti-Russian slogans, soon sent his Foreign Minister to Moscow and agreed on a meeting with Yeltsin in January.

Estonia, Lithuania and, to a lesser extent, Latvia are already building their economic relations with Russia on a new, market basis. There is another important factor. They are working out projects envisaging investment from the West. For instance, they are planning to set up an international consortium for using the Baltic, first of all Estonian, ports. A number of large US companies have displayed practical interest in it.

It should be said, however, that this is only the beginning of the road towards "historic compromise" between Russia and the Baltic states. It will be a difficult path. But, let us hope, it will be overcome, provided the world community lends a hand.

Dmitry Volsky

From Moscow to New York in 1.5 hours

Another hydrogen-jet engine test for a future hypersonic plane was conducted in the area of Lake Balkhash in Kazakhstan. The testing was held thanks to support of Kazakh authorities and was funded by French companies.

The designing of a hypersonic engine opens a new page in the history of the aircraft industry. It will enable a plane to travel at several times the speed of sound. A flight from Moscow to New York will take about 1.5 hour. In the opinion of world authorities, Russia is several years ahead of the other industrial states in the designing of a hypersonic engine. However, work on the engine was under the threat of derangement due to a lack of funds.

The latest test, during which a speed of over 5,500 km an hour was reached with the aid of a ground-to-air missile, became possible because the Central Institute of Aircraft Engine Construction signed a contract with a group of famous French companies (ONERA, Aerospatiale, Dassault, SEP, SNECMA and Hyperspace), which gave the Institute a seven-digit sum of hard currency.

The scientific results of the testing were offered to Western experts for joint analysis. As for the know-how of the unique engine, the technical details of the work are kept secret.

Interest in the Russian-designed super-engine was shown not only by France but also by the United States. A number of leading American specialists requested the State Department to lift the ban on cooperation with Russia in high-technology projects, which would allow them to join the Russian programme in the field of hypersonic aircraft engines.

Chic offers – no problem

The Konstantin shop is well known in Moscow, though it was opened only last year. The idea of organizing this enterprise arose when the company realized that the quality of domestic office furniture was too low, while furniture supplied by foreign firms was very expensive. For this reason the Konstantin company organized its own office furniture shop.

It is not the only shop of this kind in Moscow. The difference being, however, that Konstantin accepts rubles for first-class products. There is also no need to pay in advance. The prices are 70 to 50 percent of those charged by other shops. "We buy furniture from leading Western companies and also sell our own products," the store's marketing director said. "Our main task at present is to coordinate our efforts with those of Western furniture makers. It is important to avoid the services of middlemen, who inflate prices."

Western businessmen share Konstantin's interests. In the Konstantin shop the difference between the cost and the selling price is lower than in other places. There are none of those Soviet difficulties in dealing with Konstantin. It takes a client only several days to have his office furnished with first-class, handsome and durable office furniture. That is why foreign and local businessmen are frequent guests at the Konstantin shop. They know that dealing with this shop is the simple and chic choice.

Club N

Igor Ballo, king of the Moscow gambling business, recently gave birth to his 21st Moscow casino. His enchanting career in the gambling business began only eighteen months ago. Risking all he had, he opened his first casino named Club N in the Moscow restaurant Havana. Good organization and acceptance of rubles as payment made Club N one of the most popular entertainment centres in the capital.

Since then, the Ballo gambling empire has been expanding at a lightning speed. In addition to Club N, it includes 19 casinos in Moscow and 20 in other CIS cities. Ballo joined forces to found an Association of Gambling Business Executives (of which he is president) which also incorporates his facilities for manufacturing casino equipment and the first Russian croupier school. A visit to Las Vegas and Atlantic City persuaded Mr Ballo that the big-time, US style, is only around the corner for Moscow.

The 21st Moscow casino, which was recently opened at the restaurant Morskoi in the Hotel Sevastopol near Kakhovskaya Metro Station, is fully in line with the founder's concept. The two tastefully decorated halls accommodate 90 patrons and offer Black Jack, roulette, poker and dice tables, one hall catering to ruble holders, the another for those who pay in hard currency – Russians as well as foreigners.

The casino's security system is very reliable; not a single unpleasant incident has taken place in the eighteen months the Ballo casinos have been in operation. Heavy winners (a good deal of patrons win a lot of money there) can request bodyguards to take them home, the money may be transferred to a bank account or simply taken to a specified address. Credit cards are also accepted. Casinos of Igor Ballo are very popular among local rich clients and visitors from abroad. But admittance is limited. The main criterion is respectability.

Some barter!

Azeri customs officials recently vetoed a barter deal between the Baku Steel Rope plant and the Turkish firm KS Building and Industrial Trade. Azerbaijan Customs official Kyamal Safaraliev stated that, according to the agreement, the Baku plant was to supply steel cable, and the Turkish company was to supply macaroni. The macaroni price was initially set at US$980 per ton but was then lowered to US$880 per ton. The steel cable was priced at US$150–180 per ton. Thus one ton of macaroni was equal to 5–6 tons of cable. Customs considered the deal suspicious and banned the transfer.

DOSSIER

PROVISIONS ON PRIVATIZATION ACCOUNTS

Article 1.

1. Vouchers set into motion the mechanism for the free transfer to Russian Federation citizens, in the process of privatization, units thereof, property, shares and stock in joint-stock companies and partnerships (hereinafter referred to as privatization objects) that are federal property, public property of the republics within the Russian Federation, territories, regions, autonomous regions, autonomous districts, the cities of Moscow and St.Petersburg.

A voucher cannot be used to privatize assets that are classified as municipal property under the December 27, 1991, resolution of the Supreme Soviet of the Russian Federation "On Delimiting State Property and Municipal Property."

2. Vouchers are distributed among the citizens of the Russian Federation who are entitled to vouchers under Article 2 of these Provisions.

The acquisition and sale of vouchers is not subject to any restrictions.

A person who is recognized as a buyer under Article 9 of the RSFSR Law "On the Privatization of State and Municipal Enterprises in the RSFSR" shall have the right to use vouchers as payment to acquire privatization objects as private property.

A voucher that is used as an instrument of payment to acquire privatization objects is regarded as spent and is taken out of circulation.

3. A voucher is a state security of special use and has a par value in rubles.

A voucher is a bearer document.

4. A voucher may be used to pay all or part of the value of a privatization object under the Provisions on the Sale of Shares in the process of privatization and Provisions on Closed Subscriptions as established by the Russian Federation State Committee for the Management of Public Property.

Provided an entire enterprise is sold in the process of privatization, or the property (assets) is sold of enterprises that are liquidated or being liquidated, at a competition, auction or investment tender, a buyer shall make part of payment in vouchers, within the share of the privatization funds that are payable to the budget of the Russian Federation under standard rates established by the state privatization programme for the corresponding year.

The Russian Federal Property Fund or another entity representing the seller of the privatization objects accepts vouchers as part value at legal tenders in accordance with the procedure established by these Provisions.

Refusal to accept vouchers as the instrument of payment for privatized assets is prohibited.

5. Every voucher shall have a definite efficient period, as defined in its issue by the Russian Federation Government and as specified on the voucher itself. The efficient period of a voucher can be no less than one year and no more than two years. Upon expiration of its efficient period, a privatization voucher is regarded as spent and is taken out of circulation.

6. The procedure for the issue, circulation, use and payment of a voucher shall be established by these Provisions, normative acts of the Government of the Russian Federation and the Russian State Property Committee.

Article 2. Entitlement to Vouchers

1. Vouchers shall be given to Russian Federation citizens who reside permanently on its territory on the date of the enactment of the decree of the Russian Federation President on the issue of vouchers, irrespective of their age, income and period of permanent residence in the Russian Federation, as well as Russian Federation servicemen serving outside the Russian Federation.

2. The citizens of the Russian Federation who reside or are temporarily outside the Russian Federation shall be entitled to vouchers upon return to the Russian Federation for permanent residence under the legislation of the Russian Federation and within the efficient period of a voucher.

MOSCOW BUSINESS WEEK

3. The interests of the holders of vouchers who are not legally capable or who have restricted legal capability shall be represented by their legal representatives, guardians and wards under the legislation of the Russian Federation.

4. The procedure for the realization of rights in connection with the use of vouchers by minors who are in foster care, and persons in correctional institutions shall be established by the Government of the Russian Federation.

Article 3. Procedure of Distribution of Vouchers

1. Privatization vouchers shall be issued to the persons indicated in items 1 and 2 of these Provisions or their legal representatives, guardians and wards, following the procedure established by the legislation of the Russian Federation.

2. The list of persons who are entitled to vouchers under these Provisions shall be drawn up at the place in which citizens are domiciled, or at the headquarters of commanders of military units on or outside the territory of the Russian Federation.

3. The procedure for drawing up the list of persons entitled to vouchers outside the Russian Federation or the citizens of the Russian Federation shall be established by the Government of the Russian Federation. Vouchers are distributed in accordance with the lists compiled by local authorities, by local branches of the Small Savings Bank of the Russian Federation upon presentation of an identification document; to legal representatives, guardians and wards, also of a document confirming their powers.

The citizens of the Russian Federation who are not covered by this article shall collect their vouchers under the procedure established by the Russian State Property Committee in cooperation with ministries and agencies.

4. A voucher is collected along with a written manual explaining its use.

The procedure of the distribution of vouchers is regulated by Instructions approved by the Russian State Property Committee.

Article 4. Use of Vouchers

1. A voucher may be used throughout the

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Russian Federation, irrespective of the place of its collection.

2. A voucher may be used to acquire privatization objects as well as the shares (stock) of specialized investment funds that accumulate vouchers operating on the territory of the Russian Federation under provisions approved by the Russian Federation State Committee for the Management of Public Property.

3. Vouchers that are used as the instruments of payment in the process of privatization shall be counted as privatization funds that are sent to the republican budget of the Russian Federation under a state privatization programme for the corresponding year, and also by decision of the Soviets of People's Deputies of republics within the Russian Federation, territories, regions, autonomous regions, autonomous districts, cities of Moscow and St.Petersburg, shall be credited toward the share of privatization-generated funds that is sent to the appropriate budget.

4. A voucher can be used as an instrument of payment in the process of privatization only once. The procedure for recognizing a voucher as spent is established by the State Committee for the Management of Public Property of the Russian Federation in consultation with the Russian Federation Finance Ministry.

DECREE OF PRESIDENT OF THE RUSSIAN FEDERATION ON MEASURES TO ESTABLISH A SECURITIES MARKET IN THE PROCESS OF PRIVATIZATION OF FEDERAL AND MUNICIPAL ENTERPRISES

With the goal of setting the stage for the circulation of vouchers and providing social guarantees for protecting population funds that are invested in securities in the process of the privatization of federal and municipal enterprises, I hereby rule as follows:

1. The following shall be approved:

Provisions on investment funds that determine the general procedure for the establishment and operation of all kinds of investment funds in the Russian Federation, except for specialized investment privatization funds that accumulate vouchers of the citizenry (appendix No 1);

Provisions on specialized privatization investment funds that determine the procedure for the establishment and operation of investment funds that accumulate vouchers of the citizenry (appendix No 2);

Model statute of an investment fund (appendix No 3);

Basic provisions of a depositary agreement (appendix No 4);

Model agreement with a manager on the management of an investment fund (appendix No 5);

Standard issue prospectus of an investment fund (appendix No 6).

2. Bodies of state government and local administration shall render comprehensive assistance to the creation and operation of specialized investment privatization funds that accumulate privatization vouchers of the citizenry through allotment to them of premises, encouragement of the development of a network of auditor companies and depositaries, information services and training personnel for investment funds.

3. The State Committee for the Management of Public Property of the Russian Federation, together with the Russian Federation Finance Ministry, shall develop and pass, before October 15, 1992, provisions on procedure for evaluation of the pure assets of investment funds that include a procedure for the determination of the composition of expenditures and the determination of financial results of investment funds, the assessment of vouchers.

4. It shall be established that the operation of investment funds and managers thereof be licensed and that the issues of shares be registered on the basis of the issue prospectus, as offered by the investment fund:

by the Russian Federation State Committee for the Management of State Property, which is resposible for specialized investment privatization funds that accumulate the vouchers of citizenry;

by the Russian Federation Finance Ministry, which is responsible for all other investment funds.

Investment funds that do not hold an appropriate licence from the Russian Federation State Committee for the Management of State Property shall be prohibited from conducting any operations with vouchers.

An integrated register of the investment funds shall be kept by the Russian Federation Finance Ministry.

5. It shall be established that:

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specialized privatization investment funds that accumulate the vouchers of citizenry shall not have the right to exchange their stock for the shares of joint-stock companies, which are established in the process of privatization, that are held by property funds;

investment funds shall not have the right to exchange the stock they issue for the shares of joint-stock companies, which are created in the process of privatization, that are held by corresponding property funds, in the amount exceeding 5 percent of the chartered capital of an investment fund;

the quantity of the shares corresponding property funds can hold cannot exceed 5 percent of the total stock of this investment fund.

6. The operation of investment funds is regulated by the Russian Federation Finance Ministry, and of specialized investment privatization funds that accumulated privatization vouchers of citizenry, by the State Committee of the Russian Federation for the Management of State Property under this decree and within their terms of reference.

7. The government of the Russian Federation shall do the following within a two-week period:

approve a programme of support for the creation and development of specialized investment privatization funds that accumulate the vouchers of citizenry, which provides for efforts to fund the training of personnel and the provision of information services, as well as other efforts that are required for the operation of these investment funds;

consider a possible exemption from cus-

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toms duties of equipment and technical means that are imported for the operation of investment funds;

prepare a proposal, to be sent to the Russian Federation Supreme Soviet, on providing tax benefits to investment funds of all kinds.

8. A Russian Federation presidential commission shall be established for securities and stock exchanges to be comprised of representatives of the Russian Federation State Committee for the Management of State Property, the Russian Federation Finance Ministry, the Russian Federation State Committee for Anti-Monopoly Policies, the Russian Federation Central Bank, the Russian Federation Property Fund, stock exchanges.

The Russian Federation State Committee for the Management of State Property, upon consultation with the Russian Federation Finance Ministry, shall submit before December 1, 1992, a membership list of the Commission for Securities and Stock Exchanges for approval.

9. The Russian Federation State Committee for the Management of State Property shall develop and enact before November 1, 1992, the following:

procedure for suspending or recalling a licence for the right to operate as a specialized investment privatization fund that accumulates the vouchers of citizenry;

provisions for the procedure of the registration of specialized investment privatization funds's shares that accumulate the vouchers of citizenry;

provisions for the licensing activities of managers of specialized investment privatization funds that accumulate the vouchers of citizenry;

provisions for the procedure of exchange of shares that are held by property funds for the shares of investment funds.

10. The Russian Federation State Committee for the Management of State Property, together with the Russian Federation Finance Ministry, shall develop before November 1, 1992, provisions on the Commission for Securities and Stock Exchanges.

11. The Russian Federation Finance Ministry shall do the following:

develop and enact provisions on licensing the activities of investment funds and provisions for licensing the activities of investment fund managers;

together with the State Committee for the Management of Public Property of the Russian Federation shall submit before November 1, 1992, provisions on bookkeeping rules in investment funds for approval.

12. The State Committee for the Management of State Property of the Russian Federation, together with the Russian Federation President's Federal Agency for Governmental Communications and Information, the Russian Federation Finance Ministry and the Russian Federation Central Bank, and the Russian Federal Property Fund shall before December 1, 1992 work out the principles for the creation and functioning of a Russian telecommunications stock system that provides an integrated information space on the territory of the Russian Federation that is necessary for the operation of investment funds.

The government of the Russian Federation shall develop, before January 1, 1993, a programme for the development of a Russian telecommunications stock system.

13. The government of the Russian Federation shall within a month's time harmonize the acts of the government of the Russian Federation with this decree, provide for the revision and repeal of the acts of ministries, state committees and agencies of the Russian Federation that contradict this decree.

14. Juridical entities who carry out investment activities under Item 2 of the Provisions on Investment Funds and Item 2 of the Provisions on Specialized Privatization Investment Funds that accumulate the vouchers of citizenry, shall harmonize their constituent documents with this law before January 1, 1993.

15. Control over the activities of specialized privatization investment funds that accumulate the vouchers of citizenry shall be vested in the State Committee for the Management of State Property of the Russian Federation, and over the activities of other investment funds, in the Russian Federation Finance Ministry.

16. This decree takes effect at the time of its signing.

President of the Russian Federation
Boris Yeltsin

Moscow, Kremlin
October 7, 1992,
No. 1186

STATE TAXATION SERVICE OF THE RUSSIAN FEDERATION May 27, 1992, INSTRUCTIONS ON TAXATION OF PROFITS AND INCOMES OF FOREIGN JURIDICAL ENTITIES

These instructions regulate the procedure of taxation of profits and incomes of foreign juridical entities in the Russian Federation and were issued pursuant to the Law of the Russian Federationk "On Tax on Profits of Enterprises and Organizations" and a resolution of the Russian Federation Supreme Soviet On the Procedure for Enactment of the Russian Federation Law "On Taxes on Profits of Enterprises and Organizations," the Law of the Russian Federation "On Basics of Tax Service in the Russian Federation", the RSFSR Law "On State Tax Service of the RSFSR."

I. General

1. Taxes on profit shall be paid by companies, firms, any other entities (including partnerships) that are formed in accordance with the legislation of foreign countries (hereinafter referred to as foreign juridical entities) that are engaged in entrepreneu-

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rial activities on the territory of the Russian Federation, the continental shelf and in the economic zone of the Russian Federation via permanent representative offices.

Foreign juridical entities that receive incomes unconnected with the operation in Russia through a permanent representative office shall only pay taxes on the incomes generated from sources in the Russian Federation.

2. Provisions for these instructions shall not cover private companies, the profits of the owners of which shall be subject to income tax, its size and procedure of collection provided for in the Instructions of the State Tax Service of the Russian Federation as of March 20, 1992, No 8, on the application of the Law of the Russian Federation on Income Tax on Natural Persons."

For the purpose of taxation, under these instructions, the owner of a private company is a foreign natural person who owns any economic entity the profits of which in the country of domicile (registration) are exempt from corporate profit tax and other similar taxes, which must be confirmed by the tax authority of the country of which the owner of the company is a citizen.

3. The income generated by a foreign legal entity (including income from lease and other methods of use) from casinos, video salons (projection of video films), the rental of video and audio cassettes and recordings, the operation of playboxes with monetary prizes, holding concerts and shows attended by large masses of people is subject to a 50-70 percent tax rate under section VI of the Instructions of the Russian Federation State Tax Service and of March 6, 1992, No 4, "Upon Procedure for Calculation and Payment to the Budget of the Tax on Profits of Enterprises and Organizations" and is not taken into account while calculating the tax on profits of a foreign legal entity.

The income a foreign legal entity generates from banking operations and transactions, as well as from insurance operations is subject to tax rates of 30 and 25 percent, respectively, under the Instructions of the State Tax Service of the Russian Federation as of April 7, 1992, No 10, "On Procedure for Taxation of Bank Income" and as of March 26, 1992, No 9, "Upon Procedure for Calculation and Payment to the Budget of Tax on Income from Insurance Activities" and is not taken into account for the purposes of the calculation of the profit tax.

4. Earnings and expenditures in agency operations and transactions are taken into account separately for the purposes of the calculation of a tax on the profits of a foreign legal entity.

Agency operations and transactions include the operation of a foreign legal entity that operates as a commission agent or as an agent in a contract of commissions or a contract of guarantee.

Under current legislation, an agent acting on a contract of guarantee shall undertake to execute on behalf and at the expense of the principal certain legal actions for remuneration; under a contract of commissions, a commission agent undertakes to execute one or several transactions at the instruction of the principal (the person who issues instructions for the execution of a transaction) on behalf and at the expense of the principal for a remuneration.

The following shall not be classifed as agency operations for the purposes of profit tax collection: procurement, supply, merchandising and marketing activities (except those executed on commission).

II. Tax on Profit of Foreign Legal Entities from Operation in the Russian Federation Via a Permanent Representative Office

5. Every foreign legal entity operating in Russia via a permanent representative office shall be registered with the tax authority at the place where its permanent representative office is located, irrespective of whether its operation is further recognized as subject to taxation or not under these Instructions.

Failure to register is viewed as concealment of income to evade taxes.

6. For taxation purposes, the following shall be understood as a permanent representative office of a foreign legal entity: a bureau, office, agency, any other permanent location at which it engages in activities (connected with representing its interests or those of other legal entities, the development of natural resources, holding contractual works in construction, installation, assembly, adjustment of equipment, maintenance of playboxes and other activities) that contribute to the generation of income in the Russian Federation or abroad, as well as any organization and natural person who are authorized by foreign legal entities to represent them in the Russian Federation except for cases specified in Item 9 of these Instructions.

7. For the purposes of taxation, the fact of the presence or absence of permits for the opening and extention of the period of operation in the Russian Federation of representative offices of foreign legal entities (accreditation) is irrelevant.

8. Taxes on profits of a foreign legal entity shall be calculated by the tax authority at the location where the permanent representative office is registered.

9. Provided a foreign legal entity operates through an agent, not autonomously, the activities of the agent do not lead to the formation of a permanent representative office of the aforementioned entity.

10. Provided a foreign legal entity who participates in a foreign-invested enterprise, in addition to the execution of the responsibilities that, recorded in the constituent documents, are fulfilled by the foreign legal entity on behalf of the enterprise, also executes other activities in Russia on its own behalf (for the benefit of the enterprise, another legal entity or for its own benefit) through a permanent location of operation, it shall also be subject to profit tax. For example, the activities of a foreign legal entity (which is simultaneously a participant in a foreign-invested enterprise) may be recognized as those executed through a permanent representative office insofar as its employees represent the interests of a third legal entity on the territory of Russia. In this case a foreign legal entity shall register its representative office in due manner.

(To be continued)

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Ukraine's new premier takes emergency measures

Two fatal questions have recently disturbed the West with regard to Ukraine: what will be the fate of nuclear missiles deployed on her territory and who will pay off the Ukrainian share of the ex-Soviet Union's external debt – Ukraine or Russia. As for the people in the CIS countries, they were mostly concerned with the outcome of the dispute between Ukraine and Russia over the future of the Black Sea Fleet and the threat incessantly boosted by the press, of a ruble intervention by Ukraine of Russia, first as a result of the introduction of coupons in Ukraine and later in expectation of the introduction of a new currency unit.

Parliament gives him a free hand for six months

Unavoidable compromises

As concerns strategic missiles of the former USSR Armed Forces, the attempt to retain them for an indefinite period of time, which the Ukrainian government deemed very wise, finally failed. The international community unambiguously reminded Ukraine of her obligations to become a non-nuclear state, and she signed the agreement on strategic offensive weapons along with Belarus and Kazakhstan last November. Now it only remains to settle the problem of the nuclear contents of rockets to be destroyed – either they will be used as fuel for the Ukrainian atomic power stations, or compensation will be paid to Ukraine for their destruction.

Ukraine at last accepted Russia's proposal to hand over to Russia her share of the ex-Soviet Union's foreign debt in exchange for her share of other countries' debts to the former USSR.

In fact, Ukraine had no other way out, because she was the only one among former Union republics to insist on paying her share of 16.77 percent of the USSR's foreign debt, as well as on her right to receive her share of debts to the Union and its foreign assets. However, during the first nine months of this year, Ukraine has been able to pay off only $10 million out of the total of $900 million due from her, based on Ukraine's own calculations. In these conditions it would have been senseless to resist the insistent demands by the crediting countries to concentrate the responsibility for the debts in the hands of only one country, Russia.

The corresponding agreement has recently been signed between Kiev and Moscow, but Ukraine still hasn't finally rejected her claims to her share in the former Union's foreign property and assets, and negotiations will continue; the signed agreement has a provisional nature, and if the sides fail to come to terms by December 31 this year, everything will start anew. Nevertheless, even this provisional and frail agreement between Russia and Ukraine, for all its uncertainty, has considerably eased the tension in Russia's relations with the Paris Club, which Moscow tries to talk into postponing the payment of the ex-Union's foreign debts.

Nukes remain the object of the Ukrainian leaders' ambitions

A certain compromise also provisional and delicate, in the dispute over the Black Sea Fleet was reached as early as last summer at a meeting of Boris Yeltsin and Leonid Kravchuk in the Crimea. They agreed to postpone the solution of the problem by two years, till that time both Moscow and Kiev are under the obligations to refrain from unilateral "harsh actions." True, the latter point of the agreement is not always observed and it's hardly predictable what will happen in two years' time. One thing is important, however: both sides have demonstrated that they will not go to war for the sake of possessing the fleet.

A surprise for deputies

The world community's concern, surrounding Ukraine's assertion of independence,

have sort of pushed the latter's internal problems into the background, especially since it seems that no extraordinary moves have taken place in that area. President Kravchuk's authority, which covered Premier Vitold Fokin from the attacks by Parliament's radical groups, still seems unquestionable. Fokin even managed to persuade the President to get rid of V. Lanovoi, the leading figure among the advocates of economic reform in the government.

Fokin resigned, all of a sudden, early in November and Leonid Kuchma, a typical representative of the "Soviet managers' corps" from the military industrial complex and general director of the country's largest machine-building plant in Dnepropetrovsk (whose main product is the most powerful type of ballistic missiles which fall under the reduction agreement now), was appointed Prime Minister. The first impression was that of the Russian scenario being repeated. In Russia, Boris Yeltsin made three representatives of the "directors' corps" vice-premiers in order to protect himself from the latter's attacks; in Ukraine, a director was made the head of the government. Nevertheless in both countries their presidents retain control over the situation.

Yet before ten days had elapsed since Kuchma's appointment, an event described by journalists as "a political coup in economics" occurred in Kiev, in an absolutely legal parliamentary way, without any "putsch."

First the Cabinet of Ministers advanced the Parliament with a list of measures promoting the solution of economic problems. L. Kuchma, by way of substantiating his proposals, drew an adequate picture of Ukraine's economic situation, which, in all evidence, embarassed MPs.

During the first nine months of 1992, the gross national product fell by 18 percent; the national income, by 11.5 percent; the volume of industrial production, by 19.7 percent, and the production of consumer goods, by 12 percent. Practically all spheres of production and everyday life – heavy industry, agriculture, transport, construction, and foreign economic activity – are in a deep crisis. The financial system has been ruined and long-feared hyperinflation has reared its head.

The government expressed special concern over the reduction in the foodstuffs production: meat, by 24 percent; dairy produce, by 28 percent, and cheese, by 31 percent. It was only yesterday that leaders of the movement for Ukraine's independence counted on her agriculture capacity, seeing in it an opportunity to relatively successfully (if compared to other republics) survive the disintegration of the Union.

The living standard of Ukrainian citizens is currently in a catastrophic decline, emphasized the new premier. The republic beats the depressing records of other CIS countries. To compare: during the first six months of 1992, wholesale prices grew 15.6 times in Belarus, 14.6 times in Russia, and 22.3 times in Ukraine. The Ukrainian coupon surrendered to the ruble without a battle.

"The people are in such a state," said Kuchma, "that slogans on privatization, or social demagogy, or political speculation could trigger a spontaneous mass riot."

A scuffle between students and police outside Ukrainian Parliament

The time of changes

The Kuchma' government didn't and couldn't present Parliament with an all-embracing programme for overcoming the crisis. It had neither time nor the ability to do it. The Cabinet only declared that it intended to take salaries under strict control, and coordinate them with the real volume of production, increase the state's influence on the dynamics of prices, balance the budget and expand the rights of regions.

But even what the MPs heard was enough for them to regain their power of vision, so to speak. They brought down a storm of criticism on the executive power, and some parliamentarians openly blamed President Kravchuk and his unchecked powers. No one, even President Kravchuk, raised any objections to that.

As concerns more long-term prospects, L.Kuchma said that the government had started preparing a programme of structural economic reforms. It establishes the priorities of industries, whereby enterprises will be granted tax, credit and other privileges. It planned to take radical measures in agriculture for the peasants to become full-fledged owners of their land by next spring.

The structural reform in the economy will guarantee a growth of incomes as early as the mid-summer of 1993 and improve social protection of the people, said Kuchma. (Something painfully familiar has already more than once been promised by Russian leaders.) And then he made what chess players call "a quiet move." He said that the government was ready to assume the responsibility for the situation, only if it was granted corresponding powers.

Before the beginning of Kuchma's speech nobody had expected what happened next. The Supreme Soviet voted in favor of the radical redistribution of power in the state, true, only for six months, i.e. till May 1, 1993. The power of a number of articles of the Ukrainian Constitution is suspended for the same period of time. The Supreme Soviet was deprived of some of its powers in the economic sphere, as well as the president losing some of his. On the contrary, the government was endowed with the power to make independent decisions in regulating property relations, business activities, social and cultural development, customs policy, science and technological development, the crediting and financial system, taxation, the state policies in the sphere of remuneration and prices. It's really impossible to find an aspect of economics and finances left outside the arena of the government's extraordinary powers.

A document adopted by the Supreme Soviet says that all this is "aimed at effectively solving problems connected with the implementation of market-oriented re-

forms; concentrating their legal solution in one person's hands. They turned out to be concentrated in L.Kuchma's and not in L.Kravchuk's hands, although in the original draft of the resolution the President's powers were also to be mentioned. In all evidence his authority was shattered primarily by his prolonged support for Fokin's cabinet. As a result, L.Kuchma managed, albeit for a time, to get rid of strict control, both by parliamentary structures and the President's apparat. So far the situation has no parallels in other CIS countries.

For the time being, all look content. It's so pleasant to shift responsibility for your mistakes onto other's shoulders. According to I.Plushch, Chairman of the Ukrainian Supreme Soviet and one of the most fervent critics of ex-Premier Fokin, the republic found itself in a difficult economic situation (in a state of economi paralysis, as some experts say), because a lot of market-oriented laws had been passed (by Parliament!) while the economy remained the old administrative-command type (through the government's fault!) "...We had to change something. But we can't change laws!" said I.Plushch. And now, he went on to say, a government has come to power in Ukraine which is able to enforce order in the economy and strengthen state control.

How long will a "hundred days" last?

Everything testifies to the fact that Ukraine has chosen the scenario of introducing market mechanisms "from above," under the control of a strong central power endowed with almost dictatorial functions in the sphere of economics and finances. Well, the situation isn't unprecedented at all. The Premier's "strong hand" covers Victor Pinzenek, appointed the Minister of Economics. (In Russia everything thus far is the other way round.)

The absence of any opposition to the government is a favourable factor for implementing this course. Parliament is paralysed by the horrific economic picture. The President would give anything to make it forget his last months of cooperation with Fokin. The popular movement called Rukh, the main force in opposition to ex-communists, which has a majority in Parliament, is engrossed in scandalously "clearing up relations" in its own ranks. Besides, the Rukh's leader V.Chernovil has more than once made respectful references to some people occupying leading posts in Kuchma's government, for instance, the above-mentioned Pinzenek and First Vice-Premier Yukhnovsky.

The government will have to work now, and it will have to begin on the ruins of what was earlier called an economy. So far it has managed, having secured Parliament's authorization of control over the Central Bank (which both Gaidar and Yeltsin failed to do in Russia), to dismiss Chairman of its Board V.Getman, whose obstinacy in retaining Ukraine in the ruble zone (as far as non-cash accounts are concerned; all operations in cash money have since long ago been carried out in coupons only) had created, in I.Plushch's words, "this finance and crediting catastrophe."

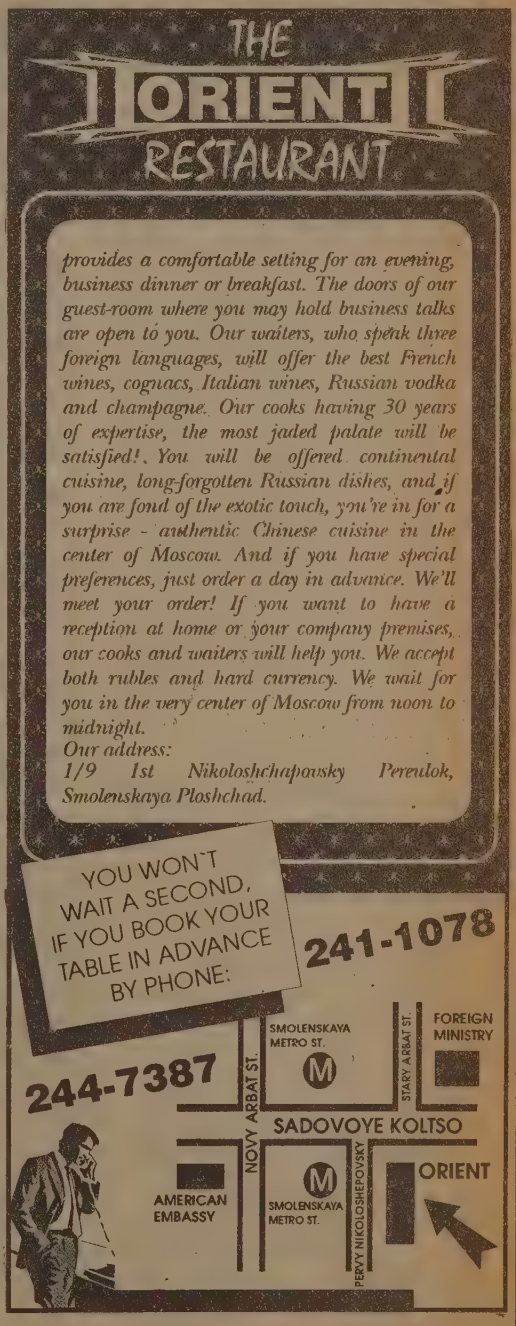
Now Ukraine has officially abandoned the ruble zone. Coupon is losing ground to the ruble while the government retains control over its exchange-rate. This measure shows how difficult it will be for the government to carry out its financial and economic policy. Russian rubles failed to flood the Ukrainian banks, which would have allowed Ukraine to buy oil, gas and pit-props in Russia. Private money-changers who "work" by the entrances to shops and at railway stations raised the exchange rate, the lion's share of rubles continuing to flow into their pockets...

At any rate there is some hope that the train of economic reforms in Ukraine will at last get going. But time doesn't wait, in a few months the government's "hundred days" will elapse and Kuchma's team will be in the danger of becoming a collective scape-goat. All will be at their throats: Parliament urged by the desire to retain the image of the country's "redeemer" and out of a sheer instinct of self-preservation; the President who will remind everyone that he is "Number One" in the state, and the opposition which will have to reaffirm its right to bear that name.

Will six months be enough for the Cabinet to prove it's sufficiently strong to act, to make others obey and carry out reforms, while ignoring attacks from whatever side?

If they will, economic reforms will unavoidably be followed by political ones. I.Plushch sees two main directions for these reforms: the strengthening of local representative bodies, and the working-out of a new electoral system, which must guarantee the election of a new and professional parliament, adequately representing public interests on a multi-party basis. God help them!

Vsevolod Rybakov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First stop, Moon, the next, Mars

These are the long-term plans of the US space industry. Russian plans remain under a veil of secrecy

The US magazine *Aviation Week and Space Technology*, revealed in its October 12 issue that during one of the Mir crew's extra-vehicular operations the Ukrainian space tracking stations intentionally broke off contact with the Russian flight control centre, thereby interrupting communication between the cosmonauts and earth. Neither Russia nor Ukraine gave an explanation of what had happened, the magazine stated. But explanations are hardly necessary. Emotions kindled by the proclamation of independence and sovereignty have triggered wrangles not only over the Black Sea Fleet.

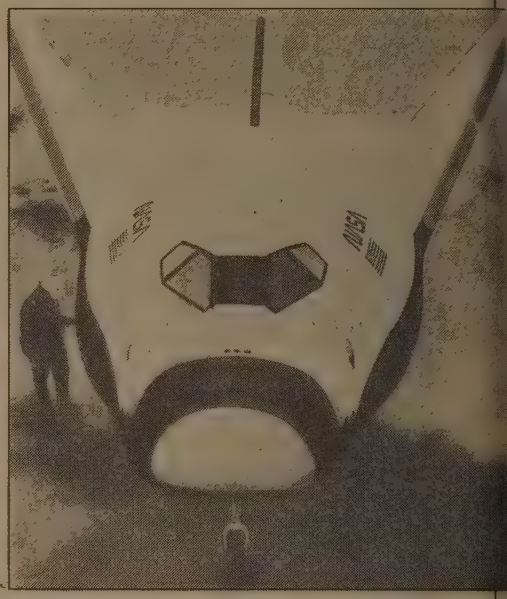
A "political-space map" is a relatively new word combination. It was thirty-five years ago that the beeps of the first Soviet sputnik, from its orbit, heralded the dawn of the space age. An amazed world realized that the exploration of near and interstellar space was no longer a fancy. It became a realm for practical engineering solutions and state interests. It also became clear that in the near future the concept of "space policy" would be used as widely as the "geopolitics" one.

NASA loses no time

The first boost into space was widely featured in the Soviet press. Newspapers devoted whole pages to this event and carried articles by scientists, writers and publicists. Enthusiastic comments poured into editorial offices from all over the country. It was a boost indeed.

This year, the outstanding achievement was marked only by the newspaper *Krasnaya Zvezda*. The time does not seem opportune for the celebration of such anniversaries. The government and the people are busy with more earthbound affairs. It is not clear who will finance and develop the former Soviet space industry, how and on what terms, and whether it is necessary to finance and develop it in general as it now exists.

While our politicians, generals and scientists are dividing the space facilities of the former USSR, their long-time rivals in the United States aren't losing any time. Den Goldin, a military-space technocrat, replaced former astronaut Richard Truly in the post of NASA chief, and the American plan of domination in space gained a new lease of life. Congress, sceptical of various space initiatives in the past, approved the new one with reserve, saying that expenditure should not exceed 30 billion dollars. President Bush promised the taxpayers that Dan would ensure America's domination in space. America will prove that it can return to the Moon, settle down there, and then move towards Mars, Bush told the students who visited the White House.



A tentative model of a space plane

Freedom base in space

The exploration of the Moon and Mars will begin in the next millennium. Billions of dollars freed up for the space programme from the ending of the cold war and the arms race will be invested in the assembly of the first transfer station on the way to the Moon and Mars – Freedom station in the circumterrestrial orbit. The final project will be ready only by 1995, and the base is to be constructed between 1997 and 2000.

A giant platform, as large as a football field, assembled in space from special metal structures delivered from earth, will make up the central part of the base. Six impressive photocell panels (35x12 metres), called upon to provide energy for the Freedom base, are to be mounted on both ends. Dwelling and laboratory modules for astronauts will be linked to the platform. The base is expected to have a sort of rescue shuttle in case the crew needs to return to earth in an emergency.

At first, the main units of a platform and two photocell panels will be orbited. After that a dwelling module and a crew will be delivered. The builders and researchers are to be replaced every two weeks. A special space plane is being designed to serve as a coach. This comparatively small spacecraft is expected to take up to ten passengers.

Can Soyuz be used?

The volume and complexity of the project are such that NASA will need the scientific and design know-how, technologies and capital of Western Europe, Japan and Canada. It is not only a matter of their participation in the main fields of research. They will also take part in the development of concrete units of a "space house." The order for building dwelling and transport modules was placed with an Italian company. The European Space Institute is designing a Columbus module. It will be launched from the space orbit to carry out geophysical and astrophysical research. For the purpose of assembly work in space Canadian engineers are designing a special 110-ton crane with a flexible 18-metre long arm capable of moving in all directions. Japanese scientists are preparing a laboratory for studying the influence of weightlessness on chemical and biological reactions.

What about the cosmonautics, space science and industry of the former USSR?

Any chance of taking part in this project of the century? At an international symposium on space exploration, held in Albuquerque, United States, the possibility of using Russia' powerful launch vehicles for delivering cargoes to the space station and Soyuz spacecraft was discussed. Soyuz is also considered a well-tested and reliable craft to serve as a "rescue boat." Rockwell International, one of the largest US aerospace corporations, and the Russian scientific and production association, Energiya, signed an agreement providing for the adaptation of Soyuz for this purpose, as well as an exchange of information and the working out of joint projects for the exploration of the Moon and Mars. It is believed that the nuclear engine developed in Russia could be used in the planned mission to Mars. A Russian cosmonaut is likely to take part in the flight, among other alluring proposals. It is difficult to say now whether all this is going to materialize. Everything depends on whether Russia and the Commonwealth of Independent States as a whole will be able to preserve and further develop the scientific and technical potential of former Soviet cosmonautics.

Launch pad enables far space exploration

Will the Mir orbital station operate till the year 2000 and who will own it then? Soviet cosmonautics does not exist any longer. It is clear, however, that an American station will have been put into orbit by that time. Determined to work in space, astronauts and scientists are already preparing programmes for extensive research in different fields of chemistry, biochemistry, genetics, embriology, astronomy, astrophysics, telerobotics, and physical metallurgy.

It appears, nevertheless, that scientific research is only one form of activity to be undertaken with the aid of an orbital base. It will have another, no less important mission. It will be a sort of additional launch pad from which astronauts will fly to the Moon and then to Mars. We're not talking utopian dreams, but a real engineering project and a real space policy now being drawn up by NASA specialists.

Judging by press reports, the first scientific base of the United States on the Moon will be established early in the next century, though it is even difficult to imagine what complex problems will be run into as the work progresses.

Houston scientists proved that building blocks can be manufactured from moon minerals and vegetables grown in moon dust. However, water is needed for this purpose; not being available on the Moon, it would be extremely expensive to deliver it from the Earth.

What can be done in this respect? Will astronauts catch hydrogen ions from the solar wind by using an entirely new technology, or extract hydrogen from moon rock in some way? Or perhaps, using fantastic recipes, they can catch an approaching asteroid and bring it to the Moon's surface.

All this sounds like science fiction. But it is known that only wild ideas pave the road to the future. A lunar module and astronauts walking on the Moon also seemed fantastic in the recent past.

Veil of secrecy

Unfortunately, man's first walk on the Moon was not televised in the Soviet Union. But in Prague, where I worked at the time, Czechoslovak television, cancelling other programmes, broadcast reports from the United States till late at night.

Hardly tearing myself away from the TV screen, I phoned my Moscow editorial office asking whether they watched the American TV report. The editor on duty replied that Moscow TV was showing a hockey game.

I found out in the Czechoslovak Ministry of Communications, that Prague relayed the Eurovision–transmitted report to Moscow through a special cable. For whom? For higher-ups? For archives? In any case, not for the people. In those days of 1969 the people remained depressed by the suppression of the "Prague Spring," the curtailment of economic reforms, and the tragic death of cosmonaut Komarov. The authorities evidently hadn't the least desire to remind them that the USSR was no longer "ahead of all" in space exploration.

The Freedom base is to be assembled in space

Something of the kind is taking place today in the sense of a conscious or unconscious "filtering" of informaton, perhaps due to old traditions of total secrecy. In any case, I obtained information about the Freedom project in Western magazines and newspapers. But who will tell me about the Phaeton, Dvina and Rus projects? What lies behind these names? Who will tell me in detail how Mir–2, Russia's orbital base of the future, will look?

I am sure that secrecy carried to an absurdity, the concealing of long-range aims and programmes from the people, coupled with much ado about successes and modest silence about miscalculations, hindered the progress of former Soviet cosmonautics more than anything else. This evidently explains the present attitude to it as an expensive business, unpromising and useless from the standpoint of our current needs and cares.

Unfortunately, the veils of secrecy have yet to be lifted. I do not know, for instance, whether our parliament has considered Russia's contribution to the proposed flight to Mars. What will be Russia's role in this mission – that of an equal partner, a co-designer, or just a passenger? How many billion rubles will the taxpayers have to pay for Russia's space plans? What are these plans? When is Russia going to realize them and what will they bring to it? Frankly speaking, I am more interested in space matters than in the fate of the Gaidar cabinet, President Yeltsin's unpredictability, and the dispute between the parliament and the government. This is so because presidents, members of parliament and ministers come and go while Russia and its interests remain, including its interests in space exploration.

It is not my desire to see the third millennium begin as an era of the American "domination in space" promised by President Bush. But I also do not want to see the domination of Russia or any other state in space. I simply want to see space free from any domination and open to all nations and science.

Alexander Didusenko

Photos from the magazine L'Europeo (Italy)

The time of fools and scoundrels?

The Shyp of Folys, the satirical poem by the German humanist Sebastian Brant, first appeared in print in 1494, and in the 16th century alone the famous review of morals ran into thirty editions in many European languages. The American authoress Katherine Anne Porter offered a new version of the story – her own *Ship of Fools* left America for pre-war Germany. (Many know what the novel is about from Stanley Kramer's screen adaptation of it.) Everything is just fine on board the comfortable Noah's Ark except that it is heading for the Deluge.

Scoundrel Time is a documentary story by the American writer and dramatist Lillian Hellman covering a few years of America's post-war history known as "the epoch of McCarthyism."

I am writing all this for correctness' sake lest anyone should suspect me of plagiarism.

It looks as if we are having our own time of fools and scoundrels now.

All instructions come from the CIA

These notes are a reaction to the much-talked-of article "Agents of Influence" by Golik, Engver, Baburin and Shashviashvili, which appeared in the *Sovetskaya Rossiya* recently. A social climber who never made it, a wronged member of Union parliament, a rising star of the neo-patriotic party and a parliamentary bell-wether united into an unexpected combination as if to stress, on purpose, the seriousness of the choice they have made whether voluntarily or unwittingly, deliberately or under the influence of emotions.

Everyone is free to choose his symbols of faith and his authorities – today we are a free nation indeed, thank God. The four men in question, so very much unlike, have chosen Kryuchkov, of all people, as their apostle of the truth. This would have been absurd and ridiculous hadn't it amounted to a defiant message to society saying: We don't care what you think of the ill-starred "State of Emergency Committee" putschers; for us, they are heroes, and the former Chairman of the former KGB is the greatest hero of all. He isn't much of a charismatic hero – so what. What really matters to us is to air our attitude to the events of August 1991, to send our supporters a clear signal that we disapprove of what happened in August and all the post-August developments, and sympathize with the objectives and methods of the "State of Emergency Committee." We mean business, too!

The KGB was a monstrous centaur, it combined the functions of a military-political intelligence service and ideological inquisition. It is hard to tell whether Kryuchkov was any good in the performance of the former function, but as to the latter function he passionately applied himself to it which finally led him to the August finale. Among other things, this passion has brought forth the bugaboo called "an agent of influence."

Have you been marked down as "an agent of influence"?

I remember well him pulling this bugaboo out of his sleeve in public with the agility of a card-sharper. Ministers of Defence, the Interior and State Security unexpectedly turned up at a closed session of the USSR Supreme Soviet to announce, in chorus: "Our Motherland is on the brink of disaster." The imminent disaster was to be caused by "agents of influence." It turned out that the CIA had hatched, way back under Andropov, a cunning scheme "to corrupt Soviet society and to disorganize the socialist economy." "For this purpose,"

Drawing by Dürer - Shein

Kryuchkov shared a frightful discovery with his audience, "the American intelligence service aims at recruiting agents of influence among Soviet citizens, training them and, subsequently, promoting them to executive positions in Soviet politics, economy and science."

Our magazine carried an editorial then saying that the situation was critical indeed and could be defused only by Kryuchkov's own resignation. The editorial created quite a stir, there were all sorts of speculations as to who was behind it. Somehow, the simple thought that an independent magazine could take an independent view of things just did not occur to egghead Kremlinologists at home and abroad. Let me try to explain myself now.

A triple carambole on the eve of the coup

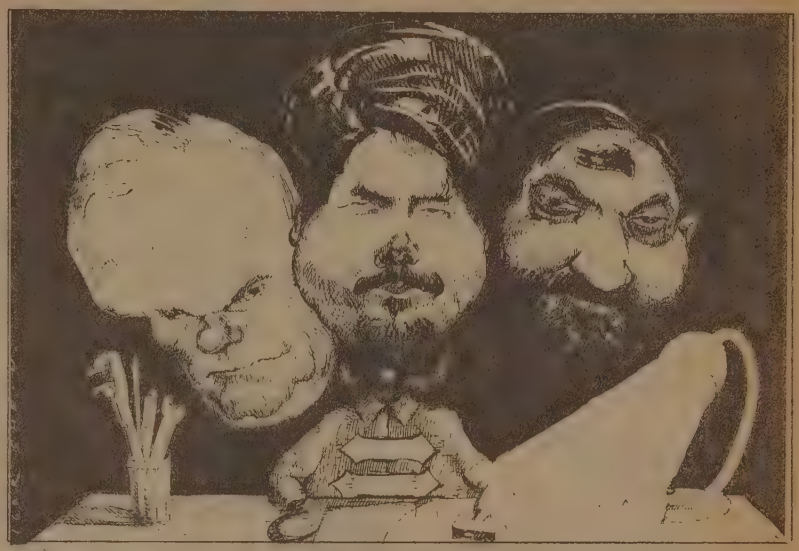
The triple carambole – the unexpected appearance in parliament of all the top "strongmen": Kryuchkov, Yazov and Pugo – was too ominous a sign. Gorbachev had no right to ignore it – he had to act resolutely and fast. His failure to do so meant that the "strongarm" ministries were getting out of his control and that the President was losing his capacity to function as the guarantor of the democratic process. Whether Gorbachev realized that, or whether he really believed in the inviolability of his person, is anybody's guess; anyhow, he lost vigilance and did nothing. That was a fatal mistake on his part. The trio proceeded to act out of parliament. Two months later, on August 19, 1991, tanks started rolling in Moscow.

I am not trying to look too wise or too brave after the event. The magazine played the simple role of the boy who upped and said, for all to hear, that the king was naked. Our motive for speaking up was not only (and even, perhaps, not so much) the political situation, but also the sense of an unjustice done to us. Upon hearing – with democratic *perestroika* well into its sixth year – all that scaremongering talk about "agents of influence," anonymous as ever, I felt dismally depressed. Gee, whom do they take us for – blithering idiots? The gullible innocents who will buy anything? Dupes destined to be fooled, trampled upon, and wrapped around the Big Brother's little finger?

Was that happening to us all over again?

Spy mania 70 years old

We had heard all that before. For seventy years, the great nation engaged in a permanent search. Under the leadership of the Party and of the glorious KGB men (under



any name) we, all of us, looked for agents of the Entente, saboteurs, spies, hirelings of imperialism, cosmopolites, dissidents... The further we went along the Road of Socialism, the more capitalist horrors we came up against. The words we heard were obscure, and their meanings evasive. We were at the "invisible frontline," you see – an ideological one, but a frontline nevertheless. Consequently, the laws of peacetime were off, and people could be taken on trial not for something they had done, but for their ideas and intentions, for what they had on their minds, and it was up to the "authorized agencies" to sort them out... The suspects were court-martialled for there was neither the time, nor the need for producing evidence to support the charges made against them; all those foreign words had just one clear-cut meaning: the accused were "aliens," "traitors," "enemies of the people," and had to be punished accordingly.

Those "special words" could get anyone's skull bashed in. Untold numbers of people of any professions and positions were exiled, banished, wiped off the face of the earth on charges of high treason, encroachment on our way of life; their alleged offenses included "attempts to dig a tunnel from Bombay to London." Neither a famous name – be it Marshal Tukhachevsky, Academician Sakharov or the author Solzhenitsyn, nor total obscurity of an ordinary man in the street could guarantee one against punitive action by the self-styled "friends of the people."

The nation was being cleansed from its enemies.

"Agent of influence" was the latest addition to this set of knuckle-duster words. A belated one, fortunately. And a funny one, too. In order to make this word combination "work" it was necessary to restore the crooked logic once instilled into us, whereby "different" meant "strange," and "foreign" meant "alien, hostile, criminal"; to restore the "Iron Curtain"; to declare a "holy war" on the West which is still out to enslave us (presumably for want of any problems to busy itself with); to rehabilitate the GULAG.

Let us do Kryuchkov justice: he suited the action to the word by attempting restoration two months later. This new "Dzerzhinsky," however, turned out not to be "a man of iron" – he stopped short of bloodshed without which any coup attempt was doomed from the start.

Baburin is Kryuchkov today

So much for Kryuchkov – he is an outgoing figure, a man of the old school. He commenced his career in Budapest '56, carried it on in Afghanistan, hunted for Amin's head (literally) and for the heads of all the prominent figures at home (figuratively). He engaged in phone tapping and informing, and played a complex game in which intrigue and servility were closely intertwined. He steered the Party line in the KGB, and the KGB line in the Party. And he was always after his own interests. That was his idea of work, of normal life, of the only correct and rational social system.

Let us now turn to Baburin, a 33-year-old pet of Russian Parliament; what was it that compelled him, a man of an entirely different generation (I am not talking here about the "wronged" co-authors of the *Sovetskaya Rossiya* article), to make common cause with such a diehard figure?

A year and a half later, Sergei Baburin picked up the "agent of influence" bugaboo from the weakening hands of the Matrosskaya Tishina prisoner, brushed KGB dust off it and, clearly admiring his own

dashing self, hurled it, with a flourish, into the middle of today's noisy political free-for-all.

The first plausible explanation that comes to mind is Baburin's ignorance.

Our new fervent patriots know little about the West, and care even less. They are extremely afraid of it, though. They are certain that the West is up to all sorts of nasty tricks. What's more, they make political capital on that persecution mania of theirs.

Isn't it stupid now to wail for the great power we used to be under Kryuchkov and his predecessors and then to announce, in the same breath, that it has been broken up by an obscure institute run by a Mr Crible or whoever?

A "secret niche" in the Kremlin

Baburin regards Burbulis, Poltoranin, Murashev and, besides, "whole groups and movements" as "agents of influence." He means, specifically, "the Democratic Russia movement or the notorious Inter-Regional Group of Deputies at a certain stage of its existence." By implication, Yeltsin is an "agent of influence" himself. The authors of the *Sovetskaya Rossiya* article magnanimously allow that Yeltsin may not be a spy, after all, but how is one to explain CIA Director Gates' recent visit to Moscow and his meeting with Yeltsin there if not by the fact that the CIA has a "secret niche" in the Kremlin? American imperialism finds such an arrangement most convenient.

Admittedly, this is an understatement. Publicists of the Chikin school usually stop at nothing in upholding the truth, and call the present government by its proper names – occupationists, imperialist hirelings, enemies of the people.

"While in the United States on a routine visit, Yeltsin reduced to zero, by a stroke of a pen, our defence capacity built up by a heroic sustained effort of tens of generations, he signed an instrument of disgraceful surrender without a single shot fired," writes Pyotr Proskurin, the well-known Slavophile writer, in the *Sovetskaya Rossiya,* and goes on to ask, "Is it good statesmanship to carry on the Gorbachev clique's policy of high treason?"

"Implementing his master's will..."

It is about time we asked ourselves the question: whose will is our criminal government implementing? Or, to use scientific language, whom is this government in general, and its individual members, working for as "agents of influence"?

It is a disappointment that the severe critics of the regime do not exactly agree – or, plainly speaking, are at odds – on that score. Kryuchkov asserted, with an air of authority, that all instructions were coming from the CIA. Baburin found the mysterious Mr Crible. The *Sovetskaya Rossiya*'s staff publicists point to President Bush. From that point of view, Bill Clinton's victory in the elections is inexplicable and ruins their game. Therefore, it is much safer to put all the blame on American imperialism as a whole: in this case there is no risk of being sued for defamation.

Proskurin distinguished himself in this context, too. "And then chroniclers will testify," he wrote, "that such a government is not merely criminal but anti-human, that it is born of the dark, satanic aspect of human nature and that bringing the nation deliverance from it is a righteous cause."

The absence of the intellectual property act does not relieve me of the duty to admit that another writer, Boris Oleinik, has the priority over Proskurin in pointing an accusing finger at No. 1 Enemy of Mankind. However, Mr. Oleinik's discovery, which he made public on the papers of the same newspaper, was of a limited nature: he discerned only one devil incarnate in the government, and namely Mikhail Gorbachev, the initiator of *glasnost* and *perestroika.* Proskurin went further.

One must admit that the difference of opinion among the critics has its advantages as well as its shortcomings, although what they say makes one doubt their common sense. Plurality lays the groundwork for the unity of all the believers. Whatever those worthies believe in, the CIA, Mr Crible, American imperialism or the devil, all of them can and should unite on the healthy platform of exorcism. There isn't a task more urgent than that of excommunicating the democrats from power, of banishing democracy as such. Because democracy is the root of all evil, the chief product of the "agents of influence," the enemy's most effective weapon. Demonocracy, that's what it is!

According to Baburin and Co., "*glasnost*, democratization and human rights" is "idle talk," "aims set by the master." "Democracy, common human values, the achievements of world civilization, and so on, and so forth" are "abstract notions." Adherence to them is "a characteristic feature shared by all the agents of influence." Well said.

I wonder what a politician who makes such a public statement is after, what reaction he expects to get in a country like ours which has gone through the ordeal of force labour camps (the inmates of which have built the Belomor Canal and the BAM railway at gunpoint) and punitive psychiatry and where millions of lives were ruined and lost because certain simple and common values had been turned into "abstract categories."

A Serbsky Psychiatric Institute per every dissident

I think our society ought to thank Mr. Baburin for his frankness and to pay him, his colleagues and his kindred spirits in kind.

"Agents of influence" is a new attempt at replacing political means by "security measures." Those who are prepared to resort to that automatically place themselves outside the normal political process.

"Agents of influence" spells an end to any discussion, a prelude to a new reign of terror. Nobody argues with "agents of influence" or stands upon ceremony with them. "Agents of influence" are simply arrested.

Those who reject democracy put themselves outside democracy.

As a matter of fact, Mr. Baburin is no democrat, he is a patriot. How can you expect a true patriot not to feel at home in his own country?

The swiftness with which the former Party, KGB and military-industrial-complex functionaries, let alone new careerists, have recovered from their initial shock and waxed patriotic and nationalist suggests that the well-known aphorism, "Patriotism is scoundrels' last resort," may not be altogether untrue.

Zyuganov, an ex-instructor, ex-sector chief, ex-deputy chief of the Propaganda Department of the CPSU Central Committee, a member of the Politburo and Secretary of the Central Committee of the Russian Communist Party, has now become the leader of the "Soborniks" and of the National Salvation Front. Chikin, a member of the Politburo of the Central Committee of the Russian Communist Party, has found refuge in the same organization. The newspaper *Sovetskaya Rossiya,* once notorious for its manifestoes of truly dogmatic communism, is now concocting the Manifesto of Russian Nationalism with the same zeal. Nothing can be easier than to waive one's principles. But are they really waiving their principles? Aren't they just adapting to a new situation?

Patriotic rhetoric is good, no denying that, but was communist phraseology any less impressive?

Nationalism means placing the interests of one's nation first. Socialism means placing the interests of the working people first. There isn't much difference between the two, all the more so that

both proved to be demagogy and both paved the way to dictatorship.

Socialism and communism have lost their appeal to the public mind but patriotism has an aura of holiness about it. Well, it is usually precious things that speculations are made in.

Skipping along from socialism to nationalism

Is salvation to be found in Russian nationalism?

To begin with, nationalism has never saved anyone.

One can understand the nationalism of a small ethnic group which suffers oppression and humiliation. One can understand it, but not share it. Because nationalism, even if absolutely justified, rarely stops short of jingoism. Over the past few years we have witnessed outbursts of nationalisms of every description. Did it help Armenians, Azerbaijanians, Georgians, Abkhazians, Ossets and Ingushes solve their national problems? Blood is thicker than water, of course, but when applied to whole ethnic groups this principle often leads to bloodshed.

And what about the nationalism of a large nation?

They say that the Russian people have suffered the most from communist totalitarianism. This is fortunately untrue, although the word " fortunately" is hardly in place here. The steam-roller of autocracy passed over Russia as it did over the rest of our vast country. And still, Russians were not discriminated against as Russians, as distinct from Ingushes and Chechens, Crimean Tatars or Volga Germans, Jews and other "counterrevolutionary nations," as our renowned Nina Andreyeva put it.

Russian Orthodox churches were blown up or "converted" into warehouses not because they were Russian, but because they were churches. Mosques and meeting-houses of all other religions shared this lot. All the gods were sacrificed to a new religion – godlessness. The kulaks were annihilated as a class all over the country. Peasants were forced into kolkhoz bondage irrespective of nationality. Of all the rights, Russians like people of all the other nationalities were granted just one: the right to selflessly serve the cause of Lenin and Stalin, of our precious Communist Party. That was called real-socialism which granted Russians no special privileges.

Communist totalitarianism is none the more attractive for that. Therefore, professional propagandists of Leninism like Zyuganov or Chikin have no moral right to claim the role of ideologists of the new faith. In the equation of national-socialism, they quickly skipped over from socialism to nationalism.

They crave for power, for that thrill of being in control.

Any means is good towards that end, but there is nothing like patriotism. It makes people uncomplaining.

A true patriot is selfless, he never wants anything for himself, and that's the kind of people we want. What about a non-patriot? Any non-patriots here? Raise your hands.

There is hardly a sacrifice that cannot be demanded in the name of patriotism. "The future of my country means more to me than the freedom of the press does," says Stanislav Kunyayev. Does he really understand what he is talking about?

"Detain emissaries and cosmopolites..."

Anything can be justified by allusions to the good of the people. After all, patriotism means love of one's country, doesn't it? Only love is a deeply personal feeling, it nestles in the human heart and tolerates no fuss. As to patriotism, it has to do with the masses, with strategy, with the state. Patriotism is love of one's country – but a love which has been mobilized to face a potential enemy. In order to prove itself it needs a war, a moment of mortal danger to the nation.

That is why our professional patriots are so noisily belligerent. The war they are fighting has its Kulikovo battlefields, its Volgas and its Stalingrads. One cannot help admiring their fearlessness: when it comes to gratifying their petty ambitions, they do not hesitate to disturb the ghosts of the great ancestors.

Patriotism is love of one's country turned into a cult. The greater the cult, the larger the sacrificial altar... The more sacrifices, the more important the cult. With our experience, we can easily imagine a society which will make a cult of patriotism but suppress the freedom of the press, human rights, democracy, which will forget all about common human values, the achievements of world civilization, all those abstract categories, as Baburin calls them, which are nothing but channels used by agents of influence.

On August 20, 1991, Colonel General Albert Makashov sent the following coded instructions to the troops of the Volga-Urals Military District he was in command of:

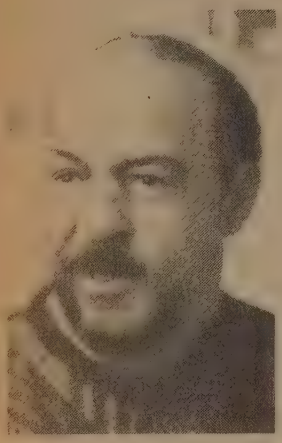
"1. Officers and political instructors are to step up patriotic work. Private soldiers and officers cannot but be patriots. The work is to be based on 'The Word to the People' published in the *Sovetskaya Rossiya* and signed by eight patriots, including Generals Gromov and Varennikov.

"2. Emissaries, cosmopolites and traitors to Motherland and to the Union are to be detained, questioned and, upon identification, handed over to law-enforcement agencies..."

There is no doubt that a patriotic soldier, armed with the Word to the People cut out of the *Sovetskaya Rossiya,* will easily distinguish in a crowd emissaries, cosmopolites and traitors to Motherland, i.e., agents of influence.

Those who would like to live like that can safely put their trust in our fervent patriots. Bon voyage, Ship of Fools!

Alexander Pumpyansky



Everything appears logical and harmonious despite bizarre juxtaposition. In a Russian village, people gather to look at the fight between a goose and a cock. Flowers bloom in felt boots, and languid mermaids lie in a puddle. Warmth, festivity and gaiety are the main striking feature of **Grigory Kusochkin**'s paintings, while the combination of village reality, fairy-tale fantasy and Soviet folklore make them look like cheap popular prints.

Grigory Kusochkin, 45, is an artist, poet and writer, while in everyday life he is a sergeant-major of a fire brigade. In his native city of Kostroma, people at first reacted negatively to the outstanding fireman. Some considered him a crank, others simply as a nut.

Speaking about himself, the artist admitted that his family was one of the most respected in the city. His parents held responsible posts. Though Grigory was expelled from the eighth form for habitual truancy, he regards himself "in all other respects as a very respectable man."

Kusochkin began to paint at the age of 40. He put before himself an album of paintings by famous artists and tried to make a copy. The copy was not a bit worse than the original. This was the end of his study. There was no need to enter an academy of art.

You will not see the artist at an easel. He usually paints at his writing-desk, and not with brushes but by his fingers, dipping them into paints. He is also the author of funny captions for his pictures.

Grigory Kusochkin's personal exhibition was held with success last year in the hall of the Cultural Foundation in Moscow.

■■■

Russian women are becoming increasingly involved in politics, even in security forces matters. A year ago, Tatiana Samolis, a journalist, was appointed press secretary of the Foreign Intelligence Service. Recently, another woman, **Elena Agapova,** deputy editor-in-chief of the newspaper *Krasnaya Zvezda,* was offered, to her surprise, the post of press secretary of Russia's Defence Minister. This post was established only several months ago, and Elena does not yet

have a clear idea of what her new duties will be. She plans to continue working for *Krasnaya Zvezda.* "I don't want to lose contact with the newspaper," she says. "I'm going to write articles for it to the best of my ability."

Elena Agapova was born in 1951 in a military garrison in the Polish town of Legnica. It was in this garrison that her acquaintance with army life began. On graduating from the faculty of journalism at Moscow University, Elena devoted herself to writing on military affairs and became known for her interviews. She was given interviews by Gen. Powell, Chairman of the U.S. Joint Chiefs of Staff, Marshal Yevgeny Shaposhnikov, the last defence minister of the USSR, and Andrei Kokoshin, former deputy director of the USA and Canada Institute and now Deputy Minister of Defence of Russia. In the opinion of

Film producer who believes in Russia

Andrei Konchalovsky's "Close Circle" is a film about Stalin's personal motion-picture technician, and his destiny, as well as about Stalin himself and his whole entourage. It is also a film about Russia, the horrors and rare joys of life at that time. After a long period abroad, it was the first film he had made in Russia.

Some 15 years ago, already a well-known producer, Konchalovsky emigrated for ever, as he thought then. He was not a dissident and was not going to fight against the regime, because, as he said, he was "too normal" for this purpose. Andrei simply thought that in the West he would have better conditions for his creative work. He went through the usual trials of life: successes and failures, marriages and divorces, the birth of children, letters from Russia and nostalgia, faith in himself and despondency. At first his work was not getting on. Then he met some Menahem Golan, who gave him money for his first film, and he had a stroke of luck. Since then Andrei has made five movies in the United States, France, Britain and Italy with famous actors starring in them. He staged Pushkin's *Queen of Spades* in the famous La Scala and Chekhov's *Gull* in the no less famous Audeon in Paris.

Konchalovsky is back in Russia again. Seeing Russia again after many years, Andrei believes that it will never become a Western-type state. Fears that Russia will cease to be Russia are groundless, he says. Following writer Vladimir Maksimov, he thinks that the people should not be educated. They should be allowed to behave in their natural way. Only then will the people understand their own essence and engage in self-perfection.

Konchalovsky is sure that Russia needs to overcome its chronic disease – the fatal inability to search for compromise. It should get rid of illusions that compromise is equivalent to immorality. On the contrary, in his opinion, compromise contains in itself a great peacemaking force of creativity.

He also believes in Providence, chance and reason, and that everything in life can be improved. This belief gives him confidence in his own energy and hopes for the future.

her colleagues, Elena Agapova is an experienced journalist well versed in military issues. She has qualities as being both sociable and persistent. All this confirms once more that the choice of Agapova for the post of press secretary was not accidental.

■■■

According to the family legend, the wealth of the Rotschild house originates from a modest sum received from the sale of a small gold brooch.

The most known representative of this powerful family, Lord **Jacob Rotschild,** has decided to try his luck in Russia. He founded a Russian-American investment bank with the participation of a number of American and Russian financial institutions prepared to extend credits to large enterprises in the Komi republic, Tyumen and Kaliningrad Regions and Yakutia. The fixed capital will be 50 percent Russian and 50 percent American. It is believed that Jacob Rotschild has the support of President Yeltsin because of the new bank's policy of financing multilateral initiatives, mainly between Western partners and Russian enterprises. It will also, however, operate on the internal Russian market.

Rotschild is very enthusiastic about the medium- and long-term economic prospects for Russia. He thinks that the process of liberalization is beginning to yield initial positive results. The banker says that the consortium will draw on consultants from among the world's most famous experts in the economic and financial spheres.

The bank will begin operation at the end of this year.

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Encroachment on Power, the latest novel by writer and journalist **Anatoly Isayev,** 47, put out several days before the opening of the 25th Summer Olympic Games, threw sports enthusiasts through a hoop. On its cover are Olympic rings stained with blood. In his novel, the author shows a secret criminal organization which, pursuing political interests, cooperates with the international Olympics mafia. The main

character of the novel is a world-famous woman athlete, one of the victims of this organization. She was overdrugged.

Anatoly Isayev took real facts for this fictional novel from his days of working in the higher echelons of the sports industry. Knowing well what a sports official means, the author shows how he acts. Information never meant to go beyond a few in-the-know people has become public via this novel. In the opinion of the author, this was the only venue open to him to express his thoughts publicwide.

Isayev is well known to the public. A devoted sports journalist, he worked for 16 years at *Komsomolskaya Pravda, Trud and Pionerskaya Pravda. Encroachment on Power* is his seventh book.

Jaba's masks and real face

"We have been nobody, we will be everything." These words from the communist song *Internacionale* seem to characterize best the life of Georgian Professor **Jaba Ioseliani,** 66. Today he is a respected man, first deputy chairman of the State Council, commander of armed Mkhedrioni (Riders) groups, a Member of Parliament, and soon he will probably become deputy Speaker. In the past, Jaba was a recidivist criminal, a "legalized thief," so to speak.

His criminal career began in 1943, when he was sentenced to five years for stealing. After that, Jaba became a permanent prisoner, having served two more terms – for disturbing the peace and armed robbery. In 1960, he beat a jail warden, thus gaining authority in the criminal world but prolonging his stay behind bars. Jaba was finally released only in 1965 under an amnesty, having served a total of 16 years. In prison, he wrote a book, entitled *Limonia Land*.

At liberty, Jaba settled down, married, raised a family and began to study theatrical art. He defended his thesis on the subject, "Faces and Masks in Georgian Theatre," and became professor, simultaneously maintaining his past criminal ties.

Perestroika, and especially the April 9, 1989, events in Tbilisi, sharply changed Jaba's life. He went in for politics, using his authority in the criminal world and forming his own armed group, Mkhedrioni. His real strength and influence scared Zviad Gamsakhurdia, then President of Georgia, and a long-time foe of Ioseliani. The Mkhedrioni groups were broken up, while Jaba was again thrown into prison. Freed after the overthrow of the Gamsakhurdia regime in January 1992, he quickly re-established his groups and became a member of Georgia's higher body of authority.

Jaba's stormy life, action-packed and full of unexpected turns, has yet to be investigated. It is clear, however, that he is an outstanding personality. He is resolute and bold, prepared to take risks and often risked his life, though he knows its price well, having gained life experience in prisons. He always tells the truth, however unpalatable it may be to him. At a Georgian theatre of operations, Jaba is playing the part of an honest robber, not hiding behind the mask of a kid-gloved politician and not changing his own mask. With his honesty he has won the respect of people who have seen how politicians of the *perestroika* years so easily slipped on new masks. In the present chaos, people are willing to accept any authority, even criminal. In the opinion of the man in the street, a real authority will not tolerate the humiliation of ordinary people and will surely stand up for them.

Georgia has found such authority in the person of Jaba Ioseliani. It is quite possible that other states formed on the ruins of the USSR will also find their own.

Another songster

"Laugh not at the old if young or at the poor if rich, or at the lame if nimble, or at the blind if with good eyesight, or at the sick if healthy, or at the stupid if capable, or at the foolish if wise.

"Be not too clever or too stupid
"Be not too conceited or too shy.
"Be not too proud or too unassuming.
"Be not too stern or too kind.
"If too conceited, they will avoid you;
"If too unassuming, they will not respect you;
"If too garrulous, they will pass you by;
"If too silent, they will not reckon with you;
"If too stern, they will shun you;
"If too kind, they will ride over you.

"Be fair but be tolerant, be persistent, but chiefly learn to detest falsehood, and love truth."

He didn't sing for us, though we even had a few drinks at his home and elsewhere, though we are Russian too, though he's a songster. That is in his present life. But he didn't sing for us. True, we didn't persist.

Before we parted, he presented us with a memento, a de lux album. Back home we at once played it and realized he'd been too modest when claiming that Atlantov, for instance, was a singer but that he was nothing but a shouter. Actually his singing tears at the very heartstrings, especially of us Russians. He did sing for Atlantov who, incidentally, suggested he sing not only for friends, but for the public and cut records. Indeed, "if too unassuming, they will not respect you." He heeded the advice and cut a record. His records were popular. He has seven now, with an eighth on the way.

Talent is God given, is God's luck. Not everyone can use that talent, though. Talent needs a motor, an escalator. If the owner of talent is unlucky, either morbid shyness spells obscurity or inordinate conceit may lead to drunkenness.

Pyotr Alexandrovich Khudyakov, whose stage name is Petia Khudyakov, is a typical non-returnee. He adores and reveres Russia to this day as ardently as, say Vasiliev or the like. His is an odd love, that of a free man not of a bondsman. We agree, as patriotism may at times be thrust upon one, if not imposed at gunpoint, which we have already unfortunately experienced. Indeed, such patriotism only makes one shy as far away as possible from what one adores.

Scarcely will the now reputable Petia Khudyakov suspect that responsible for the sufficiently massive socialist phenomenon he represents was none else than the father of Russian Marxism-Leninism. Among other crucial issues our "most human of human beings" did not let the opportunity slip to provide a final solution for non-returneeship. "We must sentence more to death commuted by exile abroad." However, should sudden nostalgia get a non-returnee hanker to return, then for him is this addition to the draft of the preamble to the Criminal Code of the Russian Federation, to wit, "execution for non-allowed return from abroad." How very simple, but certainly tasteful. Push out under guard and bring back under guard. From bullet to bullet.

A fine life, but not for us perhaps

The lot of this talented compatriot of ours who made grade abroad only is mirrored in his personal catechism

The "iron curtain" against the uniting of the proletariat of all lands was rung down long before Petia Khudyakov was born. Dare-devils broke through, at times with success, at times with different intent. They sought to escape harassment, poverty, material and spiritual. They sought freedom, wellbeing, relatives, just adventure. They all craved to escape "the system."

Petia Khudyakov says this was not so. He says he had nothing against the system. He just says he had no prospects, that he sought to assert himself as actor, director, manager, although as regards the last of the three, he did not have even the slightest idea at the time what that re-

ally meant. His non-returneeship was not that of Rostropovich and Vishnevskaya, not that of Solzhenitsyn, not that of Nuriev and Baryshnikov, even not that of Protopopov and Belousova. At the time he broke through the iron curtain he certainly did not measure up to that scale.

So what? This son of a Rostov tailor, who'd gone through the ordeal of war and had had for customer none other than Marshal Tolbukhin himself, rose like a blade of grass. As soon as he was old enough, his mother who had a feeling for song and music and who in her way had tuned him to that wavelength, insisted that he enter a music school. He learned to play the accordeon and this instrument has been his provider to this day.

Many a postwar boy had his head turned by army life and officer braids. In short, Petia joined a Nakhimov school of naval cadets. He ranked well in combat and political training and scintillated in amateur art demonstrating exemplary prowess. At this point Lady Luck turned her eye on him.

It so happened that when touring the town, a Sofia operatic company's usual accompanist unexpectedly fell sick. At this trying time, they heard Khudyakov rehearsing on his accordeon behind the wall. When he demonstrated also his dancing talents, the foreigners saw that they had a perfect gem before them. Thus came Khudyakov's historic meeting with Art with a capital A. True, the road was rather crooked, unpaved.

At that time, in 1961, it was easier for our Bulgarian socialist brothers to bring him to Sofia than for him to get a visa himself. The contract over, he returned to Rostov "spoiled." Class intuition intimated that his operatic horizons stretched outside. Again Lady Luck turned her face his way. The very next year he made so bold as to enter a competition and secure an engagement with the Dresden Opera and Ballet.

The start was promising, but the rise to recognition and well-being was fanciful, like the flight of a butterfly. For a time he strutted the boards of the Saxon capital, until he was confidentially told that a compatriot, a stage director from Riga, had established himself at the celebrated Raimund-Theater in Vienna. He at once rushed there completely unmindful of consequences, trusting eventually Vienna would give him what he sought.

Today he laughingly recalls his having come with just one shirt to his back but with his accordeon. At first he bedded down for the night at the local railway station. The police, who had spotted his unwavering optimism, called him "our Russian." However, all woes were forgotten when he was accepted as a dancer in the Raimund-Theater corps de ballet. Now at least he had a roof over his head. Everything else was up to him alone.

He was tickled pink by the stage lights, let alone the celebrities with whom he rubbed shoulders. After all, he spun aloft none other than Marika Rökk, that "girl of my dreams," who said the Russian boy was a most reliable support, even though she was not that petite. Yet, on the whole the life of a rank-and-file dancer in a corps de ballet was rather miserable. He was paid a pittance and had no real home.

Still by now his mind was made up. All thought of returning home was out of question. He could not expect anything promising there, especially artistic self-assertion with his accordeon. Even stars of the Rostropovich magnitude sought jobs. In the West one has to shift for oneself, not look to a patron from a culture department. When one really has worth, one definitely makes grade sooner or later.

Having sweated out "support" of more ballet stars, he changed his venue to entertain the clientele at a night club or restaurant. He possesses a fine baritone, his accordeon is near miraculous, and the public applauded his Russian songs. He performed mostly at the Feuervögel, or Firebird, restaurant, whose proprietor was interested not in art but in more and more money, for which reason he kept his soloist virtually on bread and water, and took him to the market merely as a porter to carry back his various purchases.

True, he had some lucky moments. Now and again thanks to his imposing stature and artistry, he snatched a few feathers from the Firebird's plumage – not at the restaurant, of course. Thus he secured some supporting roles in several films, including even one of a ferocious pirate in a Hollywood movie, while in the famous *Zorba the Greek,* he staged the exciting Sirtaki dance as performed by none other than Antony Quinn, with whom he is still good friends.

Though in this kaleidoscope he was still in the background, he already felt it time to make a name for himself.

The spark he sought was struck by an unassuming newspaper obituary devoted to one Sergei Zharov, founder and leader of the Cossack Choir, which had gained European plaudits before the war yet and was celebrated in the early 1980s. As without its chief this choir would disintegrate, Petia Khudyakov, himself a Cossack from the Don, resolved to step in and start his own Bolshoi Don Cossack company. At first he had only eight in the group, mostly "vagrant" singers,

No joking with Cossacks even on the stage

like him. However, they were good and as a result, the group gradually attracted a larger membership. Today it is a group of some fifty odd and is what we in Russia are used to calling a song and dance group. Actually the repertoire consists of Russian, Cossack and Gipsy tunes, accompanied by dance numbers, with a special emphasis on Church hymns Hallelujah to a Paternoster. The singing is most impressive, as the voices are up to world operatic standards. Indeed, tenors Lyubomir Diakovsky, Fedor Petrov and Konstantin Yankov, basso profundo Georg Borovansky and the two baritones Yuan Khaliev and Khudyakov evoke rave applause.

Most of the singers and dancers are from Bulgaria. There are also some Czechs, Slovaks and Yugoslavs. For long there were no Russians except for Khudyakov himself. Indeed, in the early 1980s it was virtually impossible to escape Moscow's clutches even to go on tour. But when the "iron curtain" collapsed, and the ice broke, Khudyakov added as many as seven Russians to his group, with Russian chorus, let alone solo numbers, now in this Cossack show.

Khudyakov has built up his empire at short order. More than a hundred performances a year now mostly in Europe, primarily in Germany, which to this day demonstrates a great liking for everything Cossack. Further, contracts for some ten years ahead, now across the Atlantic. In between tours the artists sing where they come from, but as soon as Khudyakov summons, they flock to Vienna, where they now have a home of their own.

Every talented person is usually talented in many respects. After visiting his favourite Marchfelder Hof Restaurant, whose proprietor is his bosom friend and where he and his choir have caused the rafters to ring to Russian tunes, he took us out to his villa on one of his five Mercedes and Volvo limousines. This is a three-storey mansion with rooms enough to make a modest hotel, with garages, extensive grounds and a swimming pool. Not too bad, we thought, as after all, there are many such villas in and around Vienna, even though Khudyakov's mansion bears his personal stamp. But we couldn't believe our eyes when he told us that he with his own horny, artistic hands, had built everything there himself.

He is producer, impresario, stage manager, accompanist, choreographer and soloist, all rolled up in one. In-between he managed to learn several languages, with his choir singing Bulgarian, Croat, Czech, even Gipsy songs, let alone German, which he was simply obliged to learn.

Little Olga

In short, he presents an optimistic specimen of survival and prosperity. He left Russia without starting capital, without connections, without patrons and, the more so, without a definite place where to go. He just jumped into the torrent with no guarantees at all. Note that he had had his dark periods when he drunk for days on end in true Russian style. At home, he would have been pushed out into the cold for good. But out there one can stage a comeback, with everything depending on one's own courage, talent and daring. Not so in Russia where that very freedom of the individual is still not allowed. It is not for us to be our own masters. We always belong to the state and always will, however much of a cruel stepmother it may be.

Khudyakov's lot with its twists and turns, but with its happy end, is both paean and lament, a paean to Russian enterprise, a lament for those talented millions whom we have interred by the roadside on our way up to the "shining heights."

Over all these years, he is already fifty odd, he has never come to Russia on tour. He fears that, and for that matter, has not been invited as artist. However, that specifically Russian nostalgia gnaws. In the past few years he has found respite for that nostalgia. He is often seen in St.Petersburg and Moscow sponsoring humanitarian projects. It all began with Chernobyl. While in St.Petersburg, he came to a project in aid of Chernobyl victims and while there, spotted a six-year-old Byelorussian girl Olga, whom the doctors had given up. He took her and her mother to Vienna and placed her in a top clinic, to which he invited leading physicians. He not only spent his own money, but also campaigned for funds. Within six months, little Olga recovered. Other charitable acts followed. Noticing the impoverished state of St. Petersburg's health services, he purchased costly diagnostic equipment for one of its hospitals and then brought to Vienna a team of nurses for training in the use of this sophisticated equipment.

Generally speaking, he would like to come with his Bolshoi Don Cossack Choir, but for the time being is not getting anywhere, as he is not being met halfway.

True, even in this respect the sun is beginning to come out. Shortly Russian melomanes will get Russian-cut records of the songs by their rebel compatriot, *The Strange Russia* and *Tavern Moscow*. What sort of Russia will Rostov Cossack Petia Khudyakov open up to us?

Vitaly Ganyushkin,
Anatoly Kovrigin,
our special correspondents

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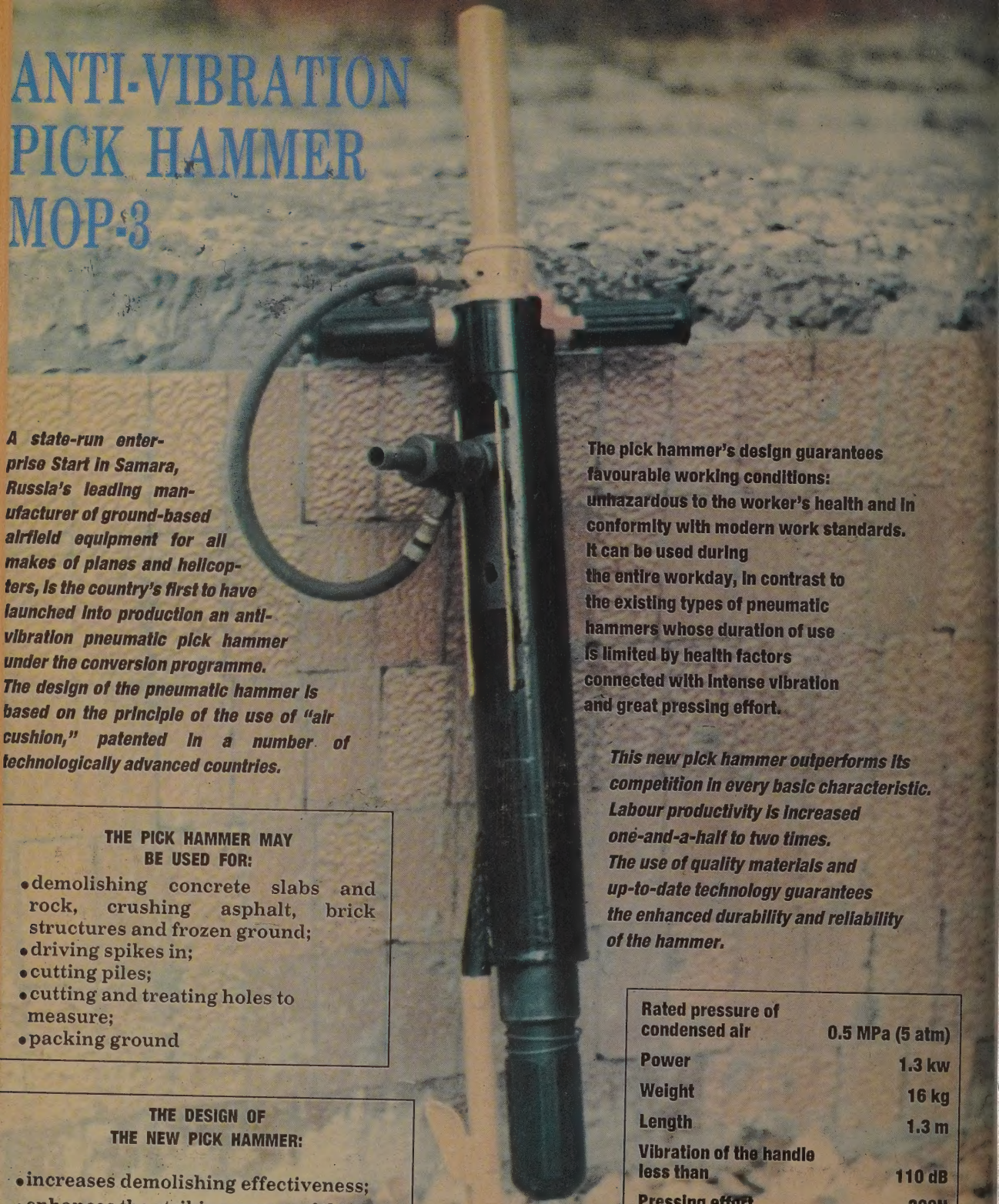

A state-run enterprise Start in Samara, Russia's leading manufacturer of ground-based airfield equipment for all makes of planes and helicopters, is the country's first to have launched into production an anti-vibration pneumatic pick hammer under the conversion programme. The design of the pneumatic hammer is based on the principle of the use of "air cushion," patented in a number of technologically advanced countries.

The pick hammer's design guarantees favourable working conditions: unhazardous to the worker's health and in conformity with modern work standards. It can be used during the entire workday, in contrast to the existing types of pneumatic hammers whose duration of use is limited by health factors connected with intense vibration and great pressing effort.

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